Name	Period	Date
	Period	Date

## The Effect of Change in Supply or Demand on Equilibrium Activity Sheet 1

*Directions*: For each of the following items create a market graph to show what happens to supply or demand. Be sure to indicate the determinant that caused the change. **Complete this assignment on a separate sheet of paper.** 

Determinants of Demand: NICEST

Determinants of Supply: PETT PIGSS

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- 1. The price of aluminum increases. What will happen to the supply of Coca-Cola? What will happen to the price and quantity of coke?
- 2. Wearing Fitbits is found to decrease one's risk of heart attacks. What will happen to the supply for Fitbits? What will happen to the price and quantity of Fitbits?
- 3. The government issues a tax refund of \$5000 to all taxpayers. What happens to the demand for new cars? What will happen to the price and quantity of cars?
- 4. The price of silicon decreases. What will happen to the supply of computer chips? What will happen to the price and quantity of computer chips?
- 5. The City of Tallahassee announces ban on soda for children. What will happen to the demand for soda? What will happen to the price and quantity of soda?
- 6. The price of razor blades decreases. What will happen to the demand for shaving cream? What will happen to the price and quantity of shaving cream?
- 7. War breaks out in the Middle East. What happens to the demand for oil? What will happen to the price and quantity of oil?
- 8. Mrs. Powell's new single, "Club7-207, Where da Playas Dwell" hits number 1 on the Billboard Charts. What happens to her demand for bologna? What happens to the price and quantity of bologna?
- 9. The government begins issuing money to farmers who sell corn for Ethanol use? What happens to the supply of corn for food use? What happens to the price and quantity of corn for food use?
- 10. Lil Wayne creates a new clothing company called "Weezy fo Sheezy". What happens to the supply of hip hop fashion? What will happen to the price and quantity of hip hop clothing?
- 11. Chiles announces all seniors must leave campus for lunch? What will happen to the demand for cafeteria food? What will happen to the price and quantity of cafeteria food?
- 12. Kellogg's announces a sale on cereal. What will happen to the price and quantity of milk?
- 13. Ariana Grande states she loves a man who wears tube tops. What will happen to the price and quantity of tube tops?
- 14. Mr. Brennan opens up a new security company named "Brennan's Bruisers". What will happen to the price and quantity of security services in Tallahassee?
- 15. The police announce that they will now begin arresting all young drivers who violate their curfews. What will happen to the price and quantity of nighttime teenage labor (wages)?

## The Effect of Change in Supply or Demand on Equilibrium Activity Sheet 2

- 1. Coach Sherry opens a graham cracker factory. What will happen to the price and quantity of graham crackers?
- 2. The price of rubber increases. What happens to the price and quantity of tennis balls?
- 3. The government reduces income taxes for all consumers. What happens to the price and quantity of powdered milk?
- 4. Toyota offers all employees who arrive 5 minutes early to work free massages after their shift ends. What will happen to the price and quantity of Toyota cars?
- 5. Progress Energy builds a natural gas power plant. What will happen to the price and quantity of Energy?
- 6. A giant meteor three-days-out heads for southern Florida. What will happen to the price and quantity of gasoline?
- 7. Britney Spears tattoos a giant hairy mole on her forehead. What will happen to the price and quantity of new Britney Spears posters?
- 8. The price of Moe's increases. What happens to the price and quantity of Chipotle?
- 9. The Weather Channel announces today that it will be the coldest winter on record in the northern US. What will happen to the price and quantity of Florida vacations?
- 10. The price of paper increases. What will happen to the price and quantity of books?
- 11. Universal Studios opens Volcano Bay in Orlando. What will happen to the price and quantity of water park tickets?
- 12. McDonald's opens restaurants in Africa. What happens to the price and quantity of Big Macs?
- 13. Mr. Burgess gets hired as a backup dancer and vocalist for Justin Timberlake. What happens to his price and quantity of steak?
- 14. The Seminoles win the BCS Championship this year. What will happen to the price and quantity of Seminole tickets?

## **Complex Cases**

For Complex cases, there will be both a demand and supply change. Give the demand determinant, supply determinant, and what happens to equilibrium price and equilibrium quantity (indicate what is indeterminate among them). <u>Do NOT draw the graphs!!!!!</u> It will confuse you to draw them.

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- 1. Computers. The state passes a law mandating all high school students in Florida must use a laptop instead of traditional school resources. A new technology in the production of plastics is created.
- 2. Ice Cream. Winter arrives. The price of milk falls.
- 3. HDTV's. Millions of Americans receive their tax refunds from the federal and state governments. New computer technology improves production times in electronics.
- 4. Peanut Butter. The price of jelly falls. Peanut farmers in Georgia (a large peanut producing state) deal with a famine.
- 5. Corn flakes. Corn flakes are found to raise the risk of colon cancer. A corn fungus wipes out much of the Midwest's corn crop.