

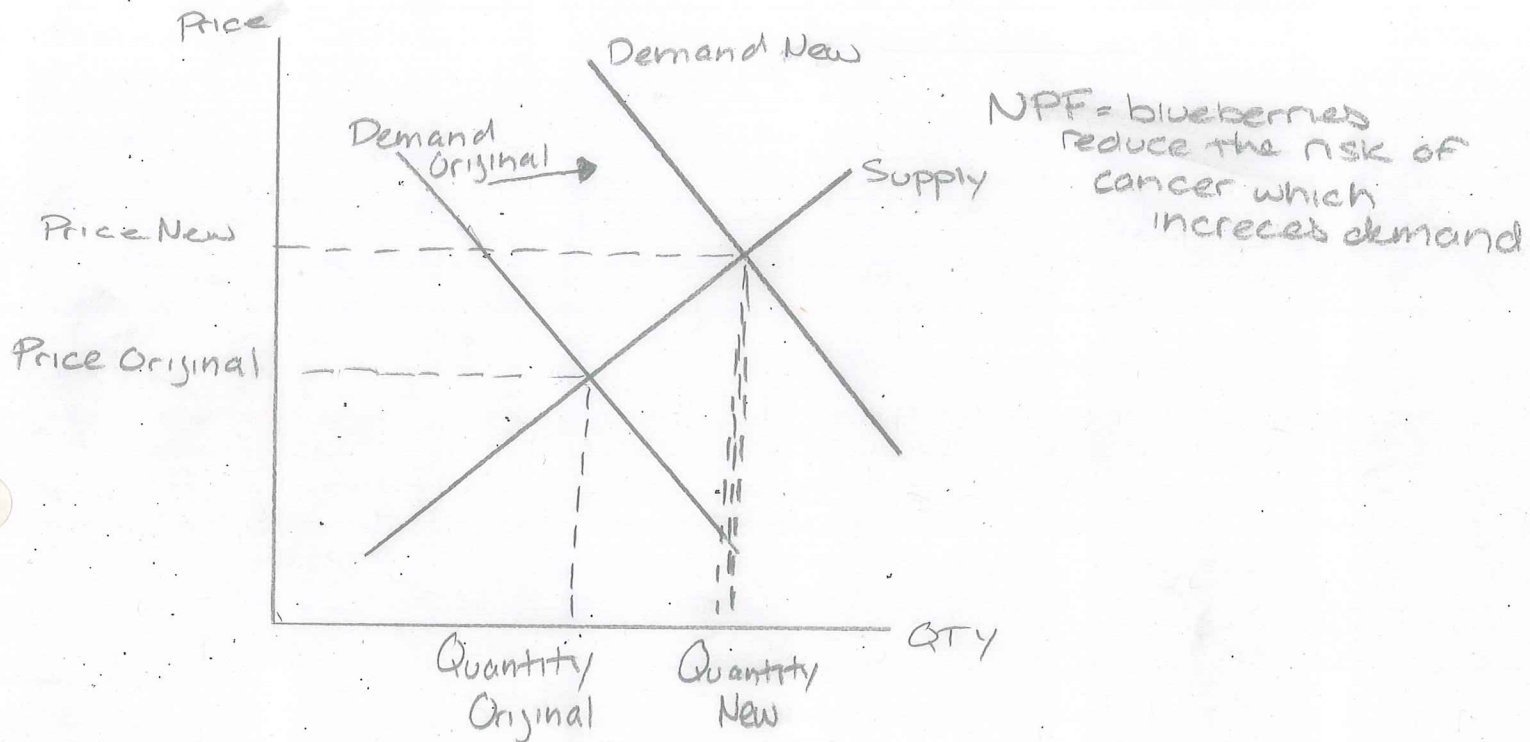
Sander Sarah

Changes in Demand and Changes in Supply Questions

For each market highlighted in *italics*, sketch a graph showing the change in either demand or supply. Be sure to identify the MOA and the NPF at play in each scenario. Explain your answers.

- a. Medical researchers discover that consumption of *blueberries* reduces the risk of cancer.

MOA = The blueberry Market



The demand for blueberries goes up which increases price which increases supply

Changes in Demand and Changes in Supply Questions

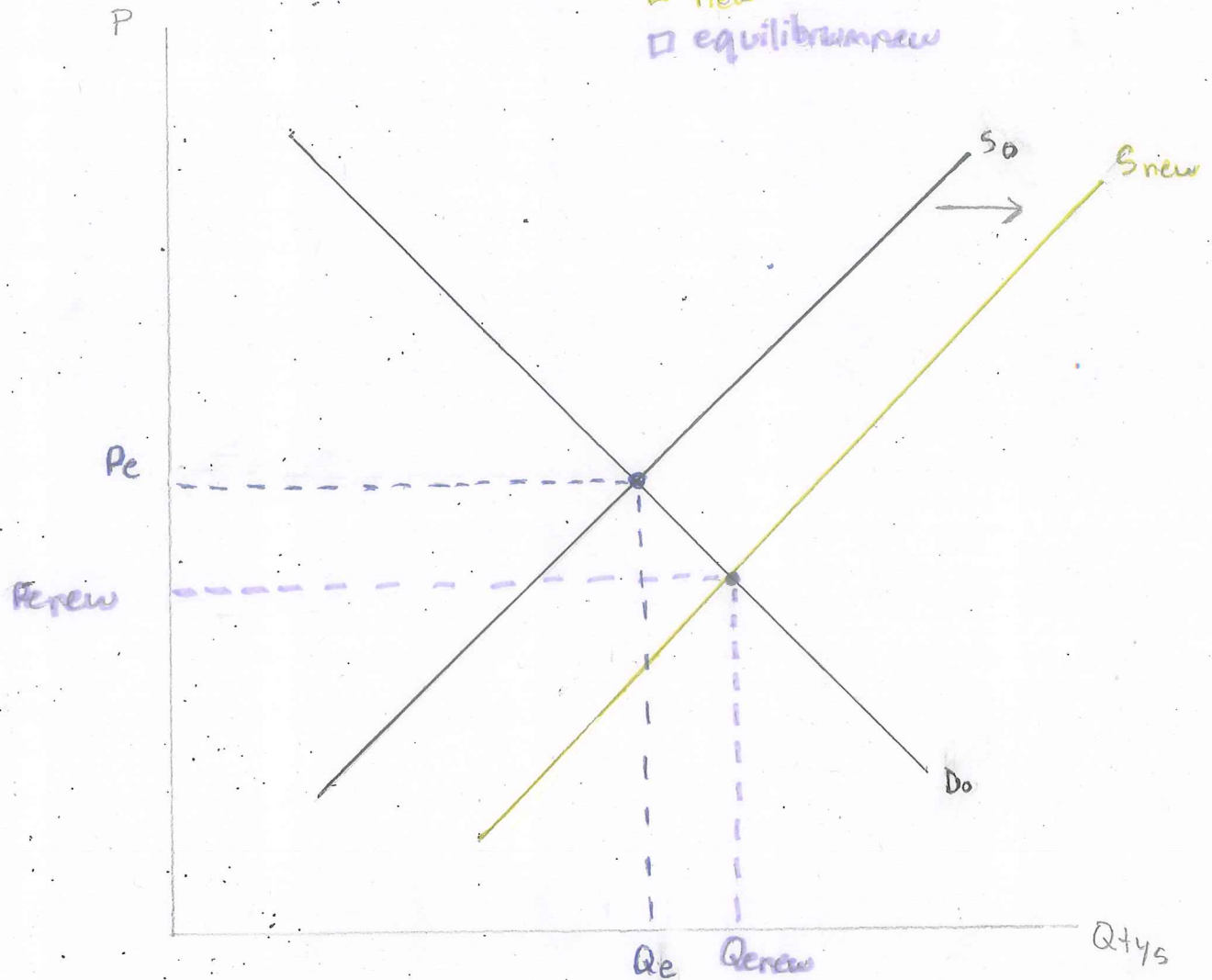
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assumption: makes production easier/faster/cheaper ↑ *integrated circuit that serves as the primary component of all computing devices* ↑

b. Cutting-edge automated technology is introduced in the **production** of silicon chips.

- ① Supply is impacted first.
- ② non-price factor.
- ③ NPF = state of technology.
- ④ supply curve moves right.

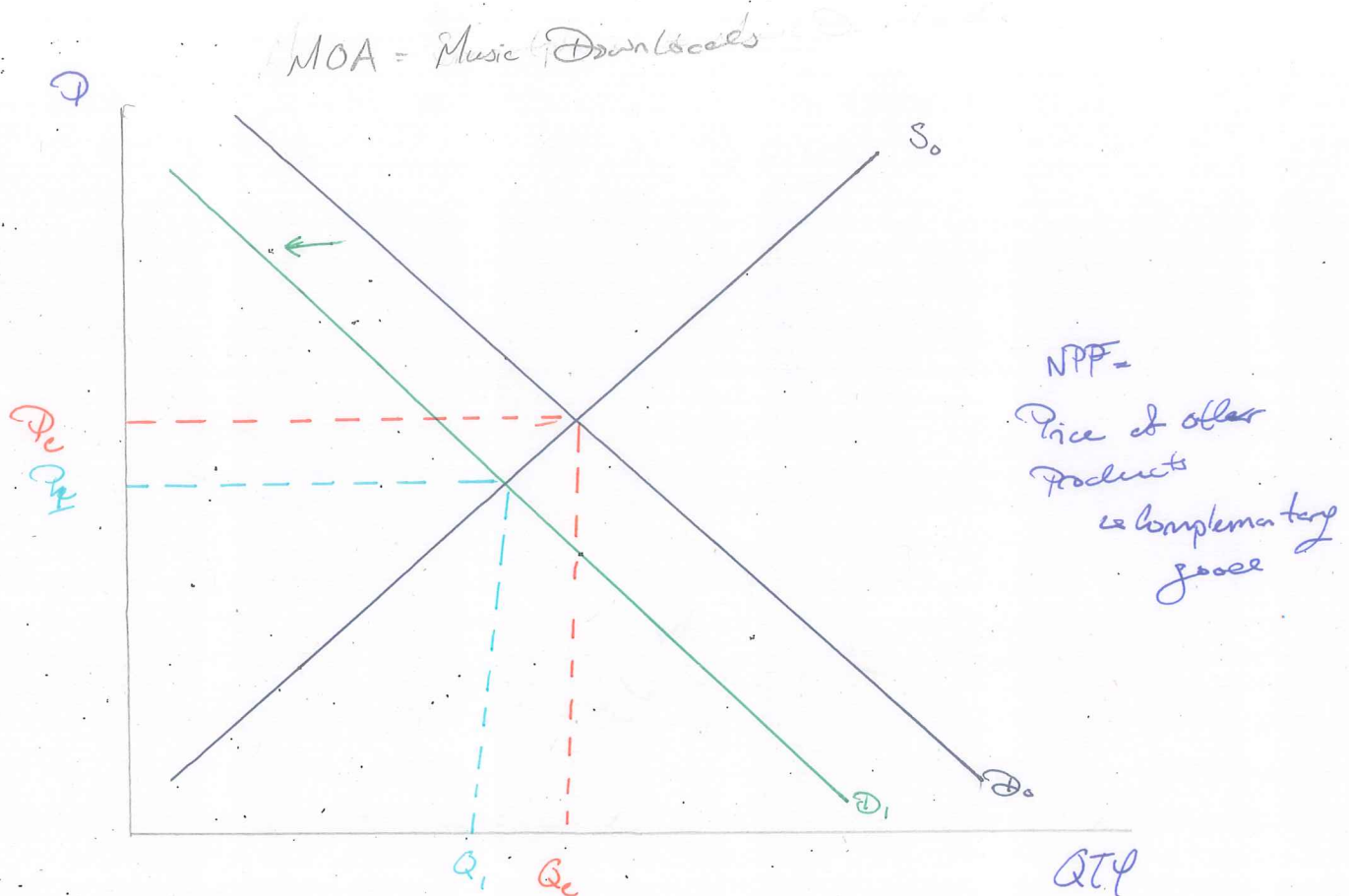
□ original
 □ equilibrium
 □ new
 □ equilibrium new



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- c. A significant rise in the price of smartphones affects the market for *music downloads*.



- ① (D) Income levels & price of other products
- ② N.P.F. b/c. willingness to buy
- ③ Demand is in play
- ④ Demand for smart phones goes down

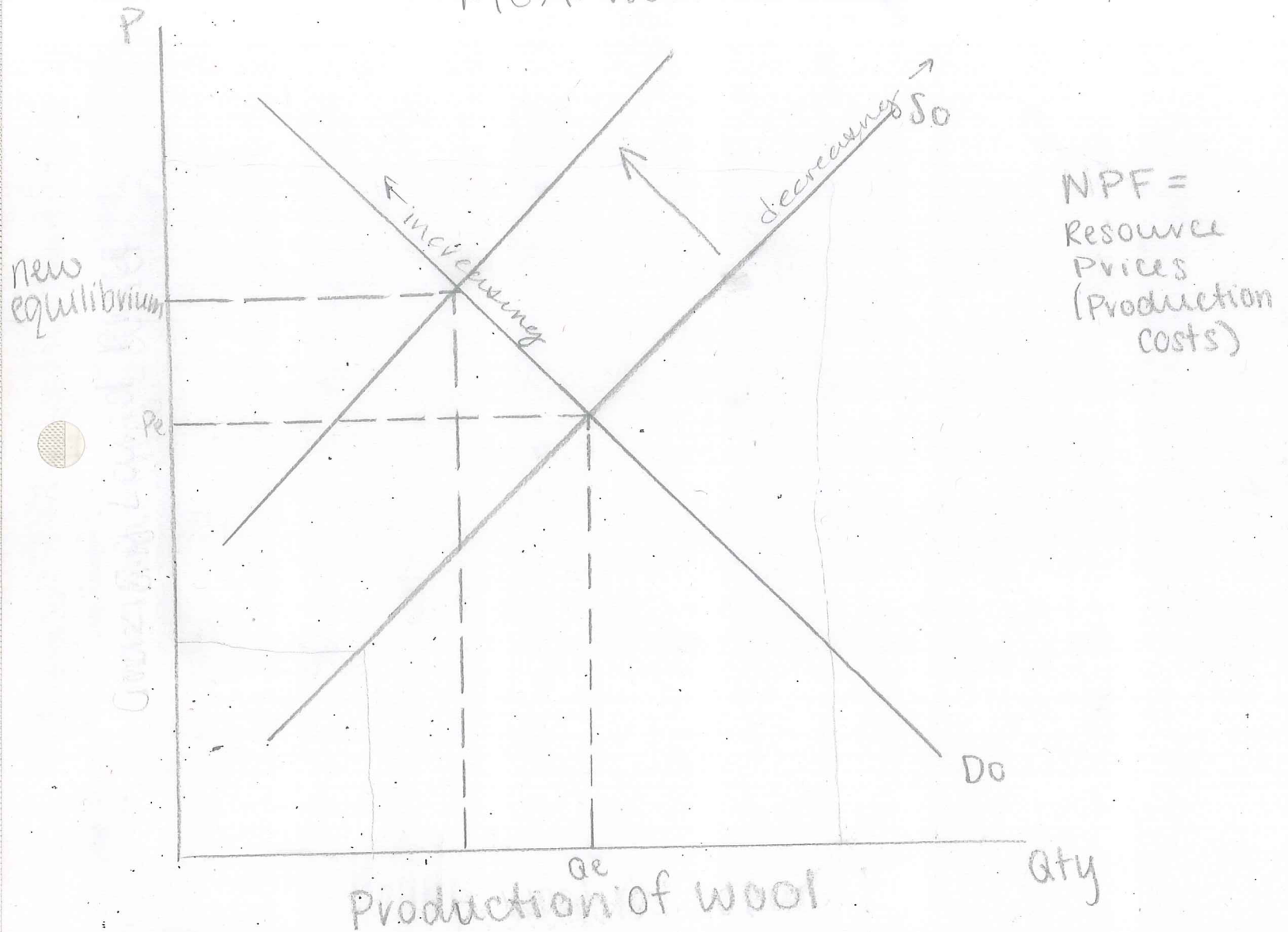
The demand for music downloads is going down.

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- d. Higher prices for grazing land have an impact on the production of wool.

MOA = Wool Market



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e. An influx of new residents into a small town influences *housing purchases*.

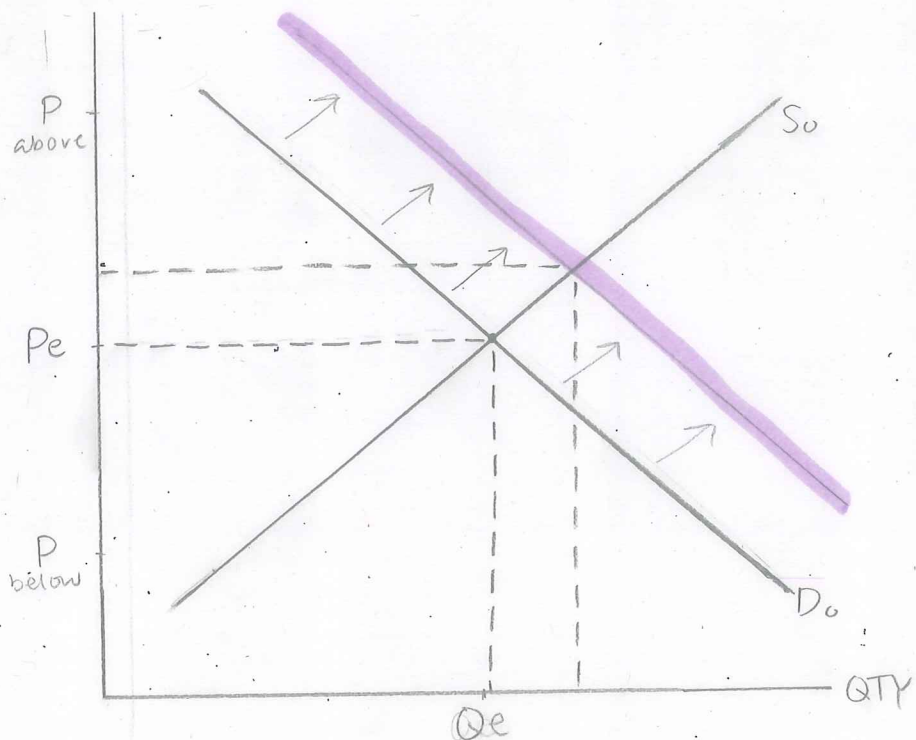
1) Demand is impacted first as new residents are in need of housing. With an influx of residents, there is an influx in demand (demand goes right).

2) No price-factor indicated; NPF's are at play

3) Demand NPF's

- Number of Buyers
↳ influx in residents
- Consumer Expectations
↳ housing market prices are always expected to increase, thus, consumers are more likely to buy now

4) pp

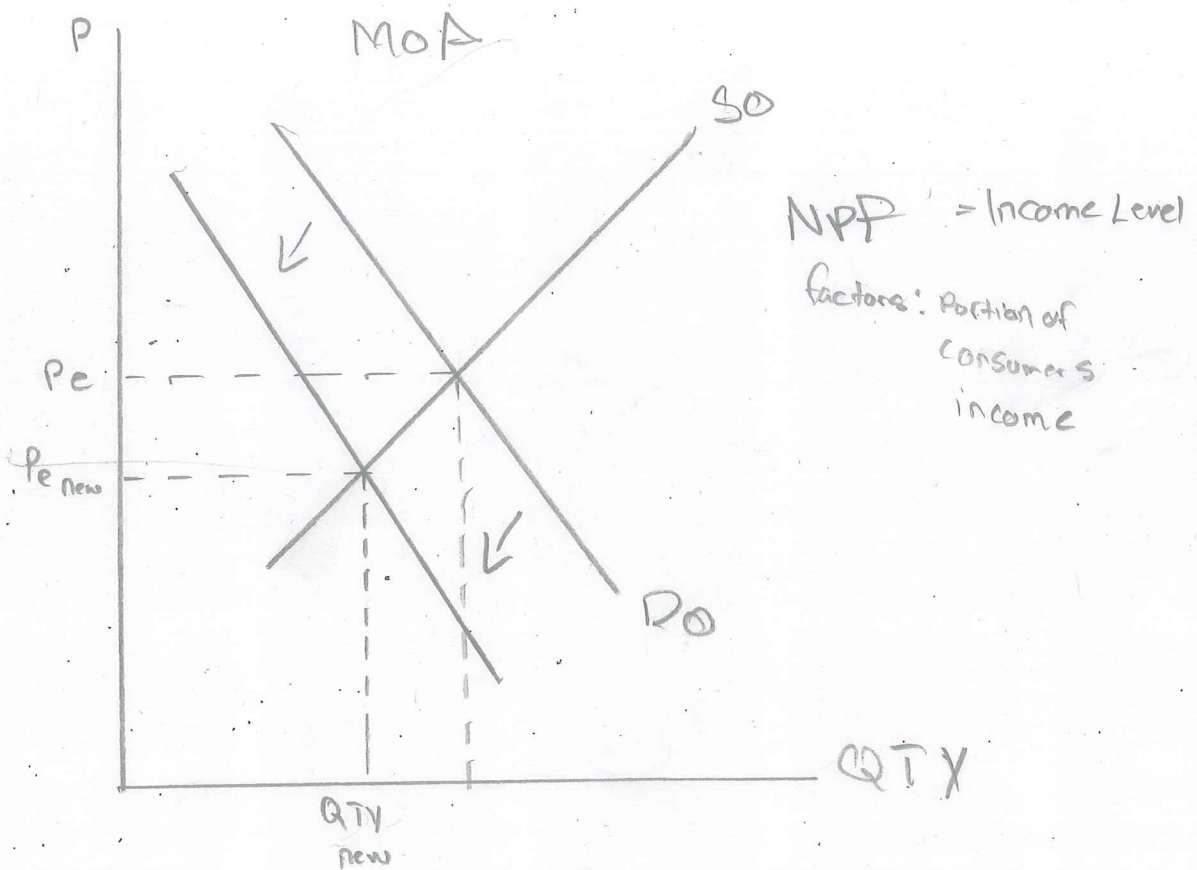


increase →
decrease ←

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- f. A fall in average consumer incomes affects purchases of *vintage wine*.

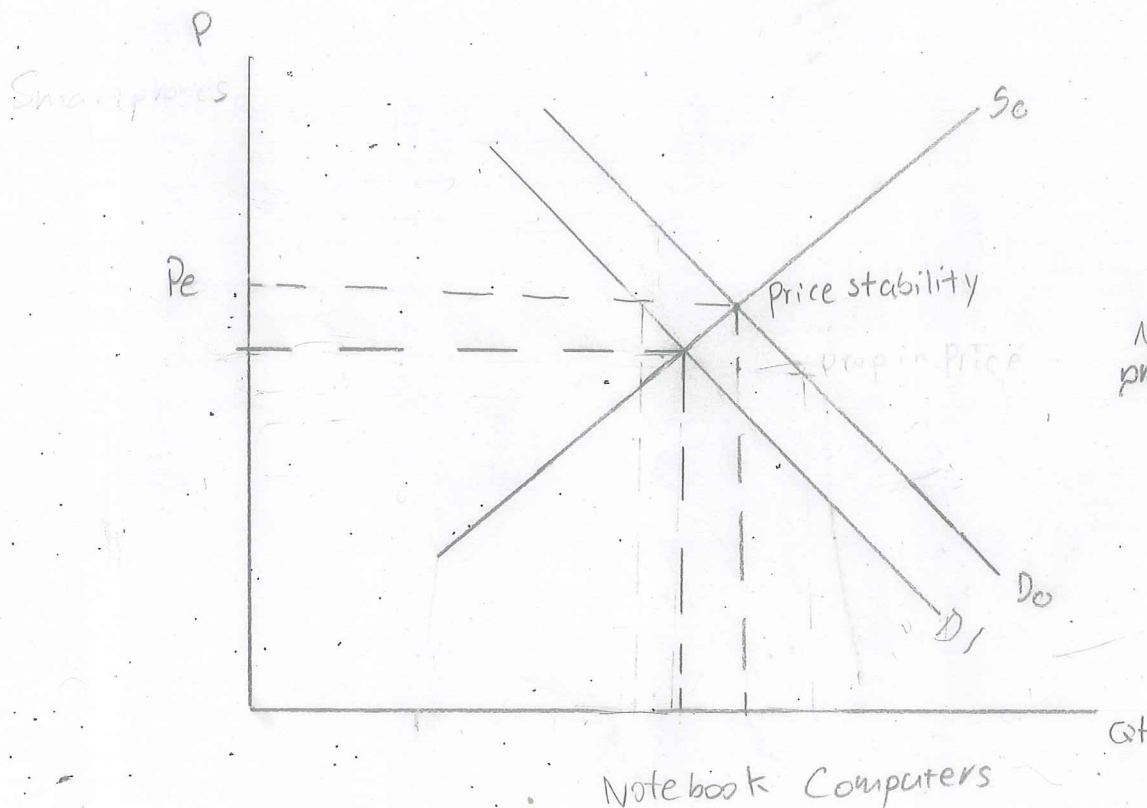


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- g. A drop in the price of large screen smartphones influences the consumption of notebook computers. ✓

MOA = $S_c \rightarrow$, notebook computers.



NPF = Price of other products (substitute).

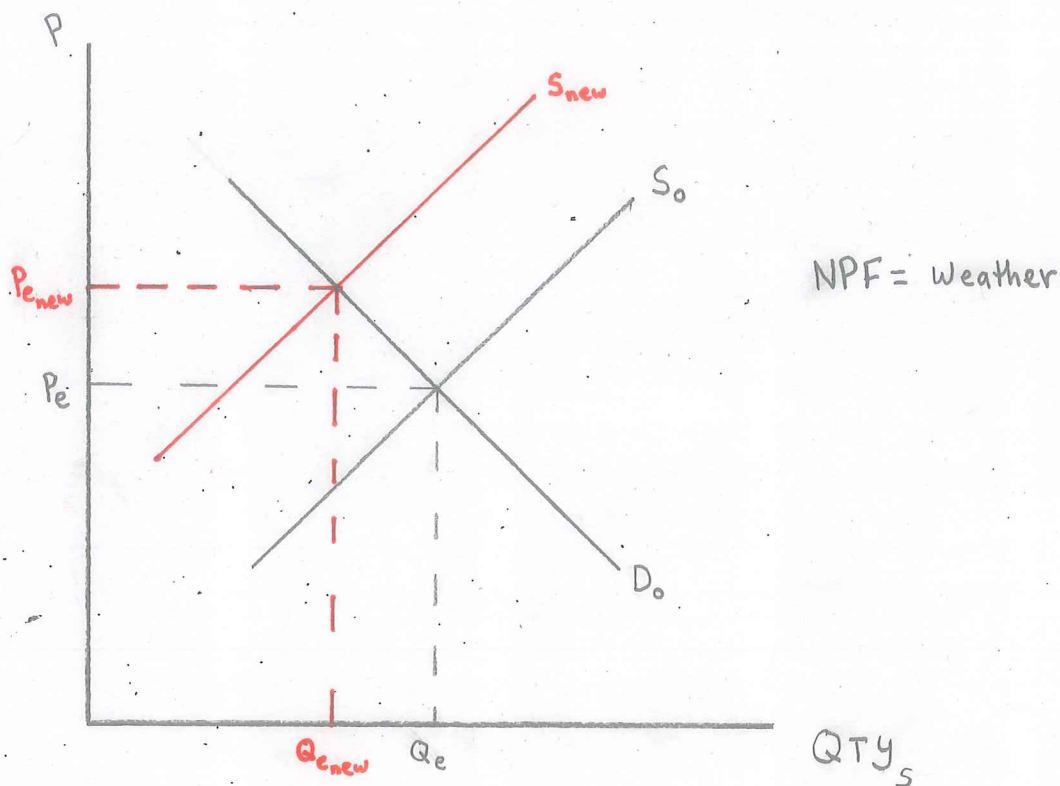
3. substitute

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h. Unusually cold weather in Central America harms the coffee harvest.*

- ① Supply* ② Non-price factor \rightarrow weather
③ Changes in Nature ④ Supply goes left

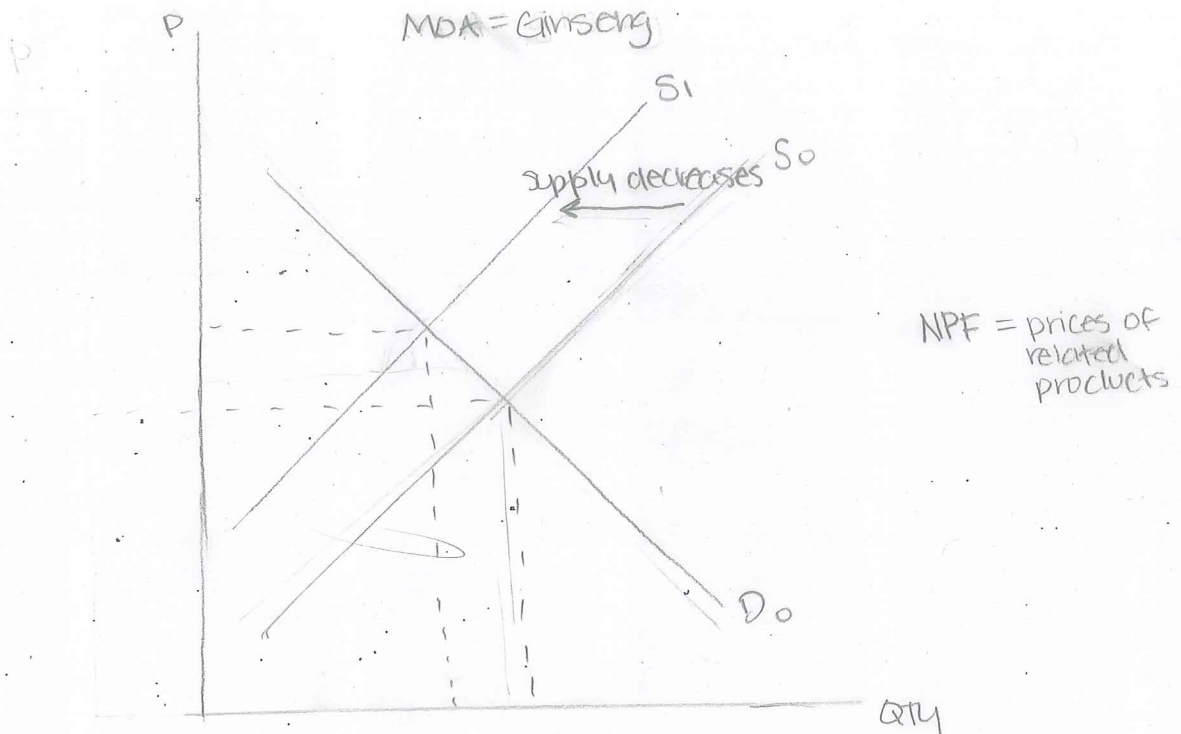


Spiros &
Felix

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- i. A rise in the price of tobacco affects the production of *ginseng*.



Matthew Costanzo
Shalva-Lucas M

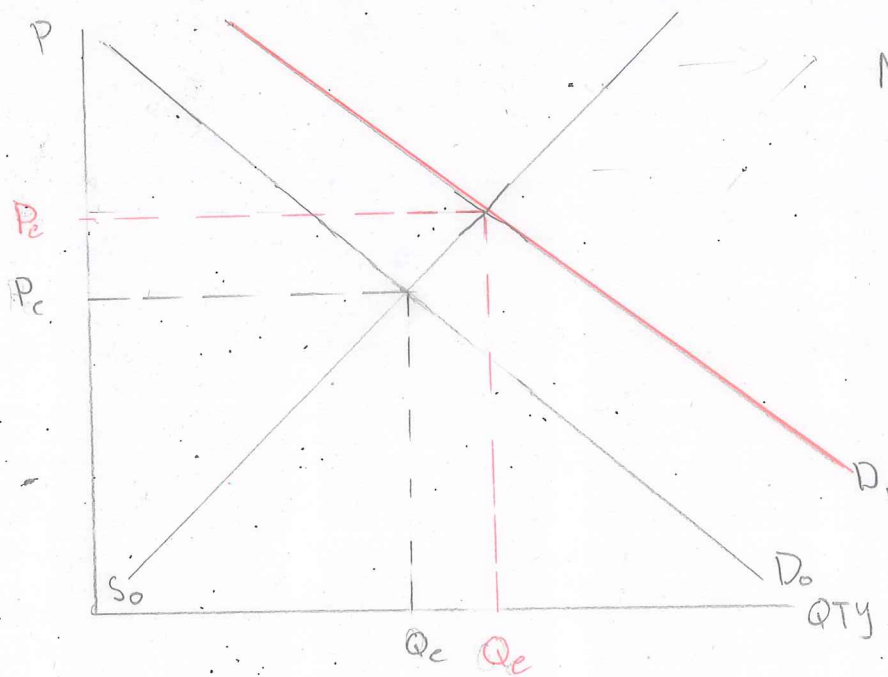
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For each market highlighted in italics, sketch a graph showing the change in either demand or supply. Be sure to identify the MOA and the NPF at play in each scenario. Explain your answers.

j. A widespread expectation of higher future incomes affects sales of *autos*.

1. Impacts demand
2. Non-price factor
3. Consumer Expectations
4. Demand shifts up

MOA = Autos



NPF = higher future incomes