**Economics (Chapter 4)**

**DEMAND PRACTICE in Graphs**

In each of questions 1-12, an event has occurred that will affect the demand or quantity demanded for a good. First identify the factor that caused the change and then accurately graph the change in demand or quantity demanded for the good.

To illustrate a **change in demand** (also called a shift in the demand curve), draw a parallel line to the right or left of the original line plus an arrow from the first line to the second line to indicate the direction of the shift.

To illustrate a **change in the quantity demanded** (also called a movement along the demand curve), indicate a point on the demand curve and draw an arrow pointing up or down the curve based on whether quantity demanded is increasing or decreasing.

1. The new Star Wars movie increases interest in the toys.

   ![Graph](image1)

   **Circle which factor caused the change in demand or change in quantity demanded:**
   - Income
   - Number of Buyers
   - Preferences
   - Future Price
   - Price of Related Goods – Substitutes
   - Price of Related Goods – Complements
   - Price Change

2. Gas prices have risen to new high levels.

   ![Graph](image2)

   **Circle which factor caused the change in demand or change in quantity demanded:**
   - Income
   - Number of Buyers
   - Preferences
   - Future Price
   - Price of Related Goods – Substitutes
   - Price of Related Goods – Complements
   - Price Change

3. The price of beef is expected to rise next week.

   ![Graph](image3)

   **Circle which factor caused the change in demand or change in quantity demanded:**
   - Income
   - Number of Buyers
   - Preferences
   - Future Price
   - Price of Related Goods – Substitutes
   - Price of Related Goods – Complements
   - Price Change

4. The price of hot dogs rises.

   ![Graph](image4)

   **Circle which factor caused the change in demand or change in quantity demanded:**
   - Income
   - Number of Buyers
   - Preferences
   - Future Price
   - Price of Related Goods – Substitutes
   - Price of Related Goods – Complements
   - Price Change

5. The first snowstorm of the season occurs.

   ![Graph](image5)

   **Circle which factor caused the change in demand or change in quantity demanded:**
   - Income
   - Number of Buyers
   - Preferences
   - Future Price
   - Price of Related Goods – Substitutes
   - Price of Related Goods – Complements
   - Price Change

6. The price of orange juice rises.

   ![Graph](image6)

   **Circle which factor caused the change in demand or change in quantity demanded:**
   - Income
   - Number of Buyers
   - Preferences
   - Future Price
   - Price of Related Goods – Substitutes
   - Price of Related Goods – Complements
   - Price Change
7. A tax rebate increases incomes.

8. The price of Blu-Ray players decreases.


10. The price of breakfast cereal rises.

11. The Winter Olympics creates new interest in snowboarding.

12. The baby boom generation gets to retirement age.

Circle which factor caused the change in demand or change in quantity demanded:

- Income
- Number of Buyers
- Preferences
- Future Price
- Price of Related Goods – Substitutes
- Price of Related Goods – Complements
- Price Change
Demand Practice in Words

For each graph shown below, think of a product that you could use to show the change in demand or change in quantity demanded. Below the graph, write the name of the product your graph is about. Above the graph, write a headline explaining what happened to cause the change. To the right of the graph, write a paragraph describing what happened and what the result would be on equilibrium price (include in your explanation the concept of surplus or shortage).

![Graph 1](image1)

**Graph 1:**

**Headline:** Increase in demand due to a rise in consumer income.

**Explanation:** The increase in consumer income leads to an increase in demand for the product, shifting the demand curve to the right. This results in a higher equilibrium price and quantity demanded, indicating a surplus.

![Graph 2](image2)

**Graph 2:**

**Headline:** Decrease in demand due to a decrease in consumer income.

**Explanation:** The decrease in consumer income leads to a decrease in demand for the product, shifting the demand curve to the left. This results in a lower equilibrium price and quantity demanded, indicating a shortage.

![Graph 3](image3)

**Graph 3:**

**Headline:** Increase in supply due to a decrease in production costs.

**Explanation:** A decrease in production costs leads to an increase in supply, shifting the supply curve to the right. This results in a lower equilibrium price and quantity supplied, indicating a surplus.

![Graph 4](image4)

**Graph 4:**

**Headline:** Decrease in supply due to an increase in input costs.

**Explanation:** An increase in input costs leads to a decrease in supply, shifting the supply curve to the left. This results in a higher equilibrium price and quantity supplied, indicating a shortage.