**Change in Demand Practice**

1. The state legislature announced that they would be increasing the gas tax by 15 cents per gallon. What will happen to the demand for large vehicles like vans and SUV’s?
2. Will the demand increase or decrease?
3. What factor caused the change to occur? (See list on your Demand notes)
4. Draw a graph with two demand curves demonstrating the change in demand. Label the original demand curve D1 and the new demand curve D2.

2. Because of bacteria that killed millions of turkeys, the price of turkeys went up to $3.00 a pound and many families decided to have ham for Christmas instead. What happened to the demand for ham?

1. Will the demand increase or decrease?
2. What factor caused the change to occur? (See list on your Demand notes)
3. Draw a graph with two demand curves demonstrating the change in demand. Label the original demand curve D1 and the new demand curve D2.

3. Tie-dyed t-shirts lost popularity for several decades, but now they are back in style. What will happen to the demand for tie-dyed t-shirts?

1. Will the demand increase or decrease?
2. What factor caused the change to occur? (See list on your Demand notes)
3. Draw a graph with two demand curves demonstrating the change in demand. Label the original demand curve D1 and the new demand curve D2.

4. After Hurricane Katrina, the number of people who needed repair to houses and business in New Orleans was great. What happened to the demand for building materials?

1. Will the demand increase or decrease?
2. What factor caused the change to occur? (See list on your Demand notes)
3. Draw a graph with two demand curves demonstrating the change in demand. Label the original demand curve D1 and the new demand curve D2.

**Change in Supply Practice**

5. Congress passes a new law that requires all cars to have hands-free cell phone capabilities. What will happen to the supply of cars?

1. Will the supply increase or decrease?
2. What factor caused the change to occur? (See list on your Supply notes)
3. Draw a graph with two supply curves demonstrating the change in supply. Label the original supply curve S1 and the new supply curve S2.

6. Airline workers go on strike. What will happen to the supply of flights?

1. Will the supply increase or decrease?
2. What factor caused the change to occur? (See list on your Supply notes)
3. Draw a graph with two supply curves demonstrating the change in supply. Label the original supply curve S1 and the new supply curve S2.

7. A new study predicted that almost all American households will have high-speed wireless internet by the year 2015. What will happen to the supply of laptop computers?

1. Will the supply increase or decrease?
2. What factor caused the change to occur? (See list on your Supply notes)
3. Draw a graph with two supply curves demonstrating the change in supply. Label the original supply curve S1 and the new supply curve S2.

8. A new kind of machine is invented that increases the production of clothes in textile mills by almost 20 percent. What will happen to the supply of clothes?

1. Will the supply increase or decrease?
2. What factor caused the change to occur? (See list on your Supply notes)
3. Draw a graph with two supply curves demonstrating the change in supply. Label the original supply curve S1 and the new supply curve S2.

**Elasticity Practice**

9. Gasoline

1. Is the Demand for gasoline relatively elastic
or inelastic?
2. What factor(s) affect its elasticity? (See list on your
Demand notes)
3. Draw a graph with a demand curve that demonstrates its degree of elasticity.

10. Vacation rental homes

1. Is the Demand for vacation rental homes relatively elastic
or inelastic?
2. What factor(s) affect its elasticity? (See list on your
Demand notes)
3. Draw a graph with a demand curve that demonstrates its degree of elasticity.

11. Heart surgery

1. Is the Demand for heart surgery relatively elastic
or inelastic?
2. What factor(s) affect its elasticity? (See list on your
Demand notes)
3. Draw a graph with a demand curve that demonstrates its degree of elasticity.

12. Reality television shows

1. Is the Supply of reality television shows relatively elastic
or inelastic?
2. What factor(s) affect its elasticity? (See list on your
Supply notes)
3. Draw a graph with a demand curve that demonstrates its degree of elasticity.

**Supply and Demand Practice**

13. A major drought causes crops all across the United States to fail.

1. Will the price of food go up or down?
2. What caused this change in price?
3. Draw a graph that demonstrates the change in price. Remember to include both Supply and Demand curves. Label all parts of the graph.

14. The price of wrist watches goes down drastically.

1. What is the most likely cause of this change in price?
2. Why might this have happened?
3. Draw a graph that demonstrates the change in price. Remember to include both Supply and Demand curves. Label all parts of the graph.

15. New York City designates certain zones that will be subject to rent control so that there is a limit to how high rent can be in that area.

1. Is this a price floor or a price ceiling?
2. Will this result in a surplus or a shortage of apartments
in the city?
3. Draw a graph that demonstrates the change in price. Remember to include both Supply and Demand curves. Label all parts of the graph.

16. The minimum wage is raised nationwide by 50 cents per hour.
(please note service = labor, price of labor = wage)

1. Is this a price floor or a price ceiling?
2. Will this result in a surplus or a shortage of workers seeking
minimum wage jobs?
3. Draw a graph that demonstrates the change in price. Remember to include both Supply and Demand curves. Label all parts of the graph.