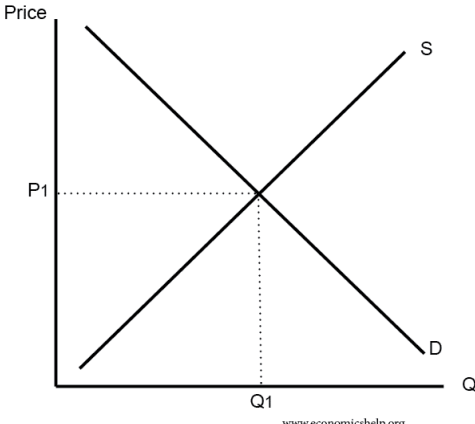
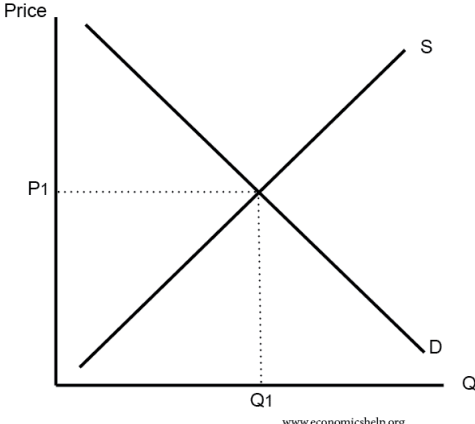
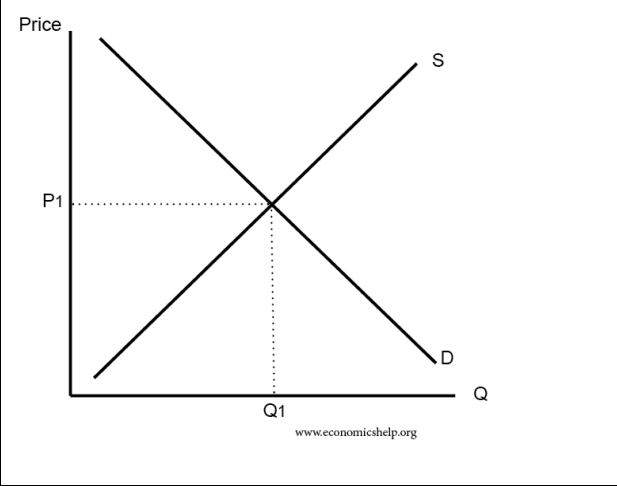
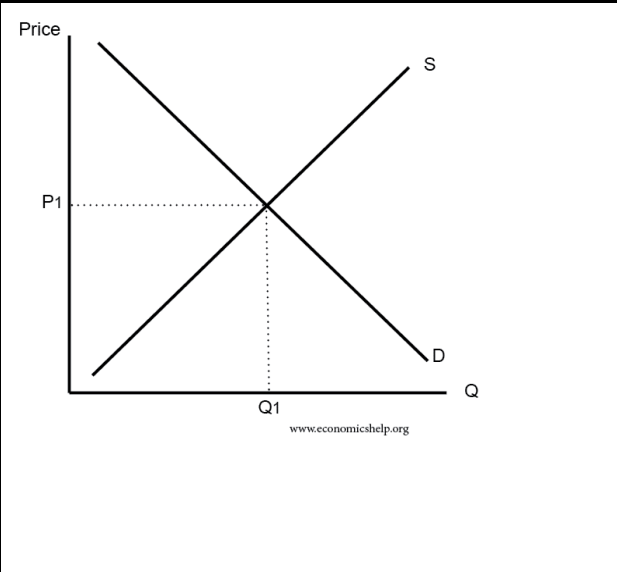
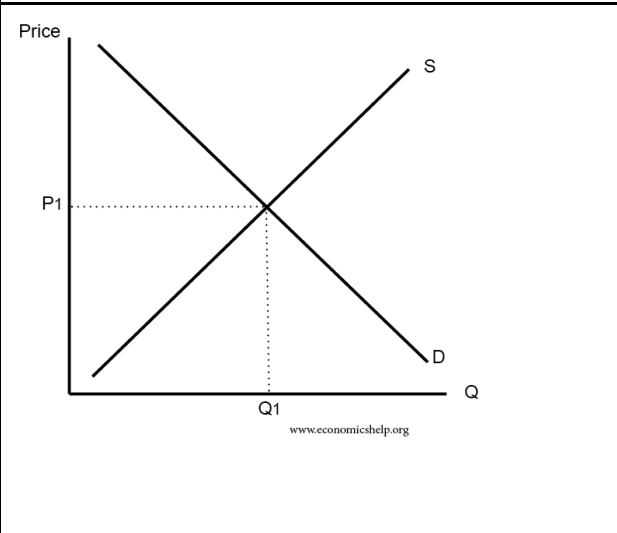


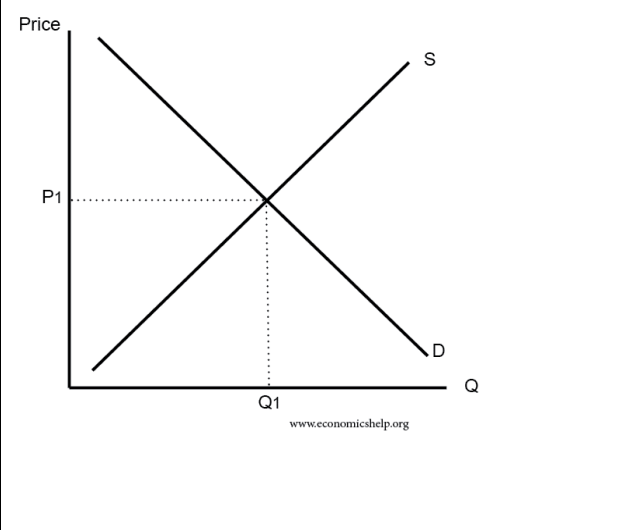
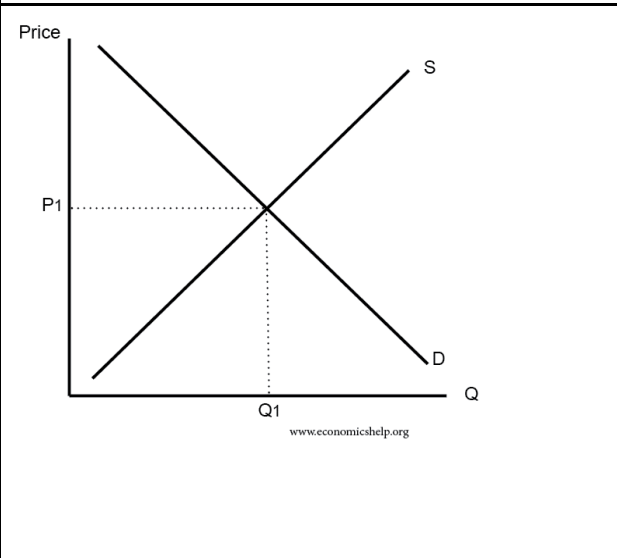
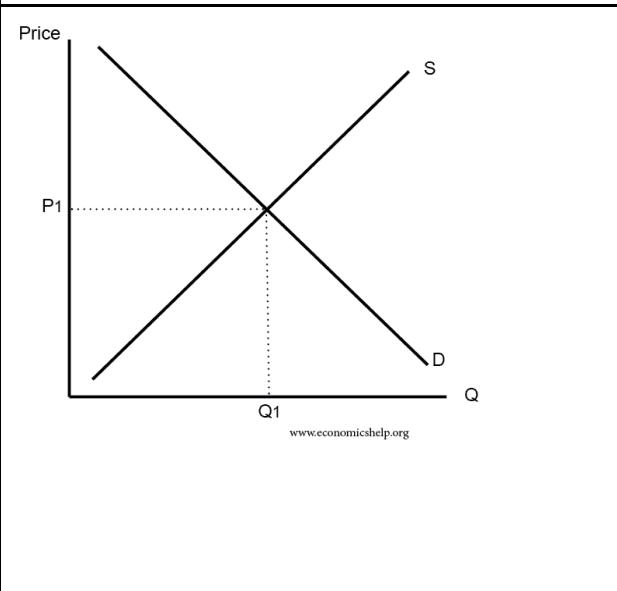
Supply and Demand Practice Answers

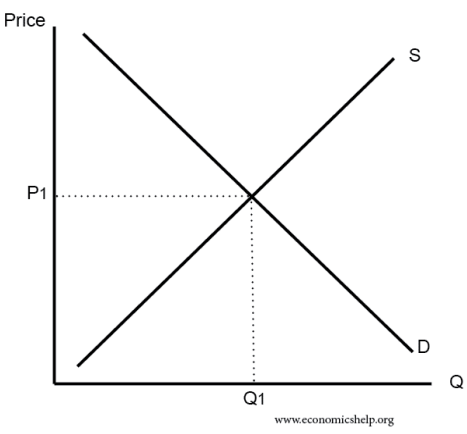
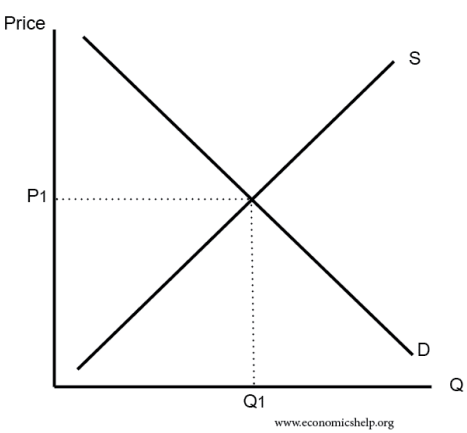
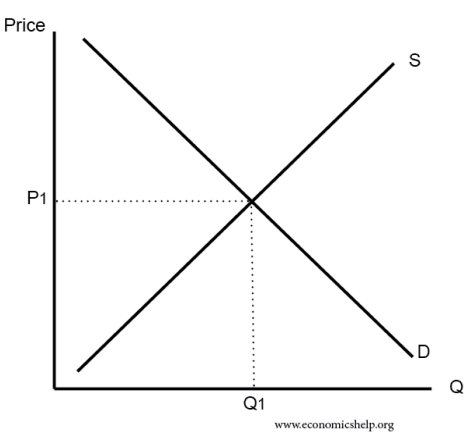
Directions: Read through each of the following examples. Use the graph to show the impact on demand or supply by shifting the appropriate curve. Use an arrow to show the change in price and quantity. Write a brief reason for your answer. Once completing those steps on your own, compare your answers with your team member(s).

 <p>Price</p> <p>P1</p> <p>Q1</p> <p>www.economicshelp.org</p>	<p>Ms. Supply and Mr. Demand are excited to select products for their gift registry. They were expecting to register at Econo-Home. However, three additional home retailers have opened in their town. What will happen in the market for home retailers? (Supply increases; supply curve shifts to the right.)</p> <p>P (Arrow Down) Q (Arrow Up)</p> <p>Reason:</p> <p><i>Mkt of suppliers increased, S1 shift right</i></p>
 <p>Price</p> <p>P1</p> <p>Q1</p> <p>www.economicshelp.org</p>	<p>As Ms. Supply begins to search for the perfect wedding dress, the economy enters an economic downturn. What will happen in the market for designer wedding dresses that have a good substitute? (Demand decreases; demand curve shifts to the left.)</p> <p>P (Arrow Down) Q (Arrow Down)</p> <p>Reason: <i>Related Goods, D1 shifts left</i></p>

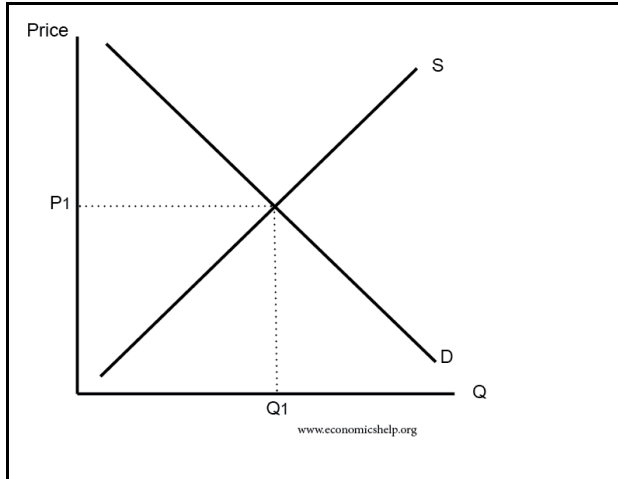
 <p>Price</p> <p>P1</p> <p>Q1</p> <p>www.economicshelp.org</p>	<p>Ms. Supply and Mr. Demand's wedding is the party of the year. Friends and family are arriving from out of town for the big day. What happens to the demand for hotel rooms? (Demand increases; demand curve shifts to the right)</p> <p>P (Arrow Up) Q (Arrow Up)</p> <p>Reason: <i>Expectations or number of demanders, D1 shifts right</i></p>
 <p>Price</p> <p>P1</p> <p>Q1</p> <p>www.economicshelp.org</p>	<p>Econo Florist raises its prices on all floral arrangements. What happens to the demand for wedding centerpieces? (No change in demand or supply; no shift of either curve.)</p> <p>P (Arrow Up) Q (Arrow Down)</p> <p>Reason: <i>A change in price changes the quantity demand, not demand. While there is movement on the curve, the underlying demand does not change and the curve does not shift.</i></p>
 <p>Price</p> <p>P1</p> <p>Q1</p> <p>www.economicshelp.org</p>	<p>There is a new state-of-the-art technology used to produce wedding selfie photo stations, making them cheaper and faster. What happens to the supply for wedding selfie stations? (Supply increases; supply curve shifts to the right.)</p> <p>P (Arrow Down) Q (Arrow Up)</p> <p>Reason: <i>Technology, S1 shifts right</i></p>

Ms Supply and Mr Demand

	<p>The price of satin, which is the primary fabric used to make wedding dresses, increases. What happens to the supply of wedding dresses? (Supply decreases; supply curve shifts to the left.)</p> <p>P (Arrow Up) Q (Arrow Down)</p> <p>Reason: <i>Price of inputs, S1 shifts left</i></p>
	<p>The price of hiring a DJ, a substitute for a band at weddings, increases. What happens to the demand curve for bands this year? (Demand increases; demand curve shifts to the right.)</p> <p>P (Arrow Up) Q (Arrow Up)</p> <p>Reason: <i>Related Goods (Substitutes), D1 shifts right</i></p>
	<p>According to TikTok influencer, Econo-Wedding, there are 2.2 million newly engaged couples planning a wedding this year. What happens to the demand curve for weddings this year? (Demand increases; demand curve shifts to the right.)</p> <p>P (Arrow Up) Q (Arrow Up)</p> <p>Reason: <i>Number of Consumers, D1 shifts right</i></p>

 <p>Price</p> <p>P1</p> <p>Q1</p> <p>www.economicshelp.org</p>	<p>Mr. Demand surprises his bride with a honeymoon to climb Mt. Kilimanjaro. Adventure honeymoons are all the rage this year. What happens to the demand for adventure honeymoons? (Demand increases; demand curve shifts to the right.)</p> <p>P (Arrow Up) Q (Arrow Up)</p> <p>Reason: <i>Tastes and Preferences or Number of Demanders, D1 shifts right</i></p>
 <p>Price</p> <p>P1</p> <p>Q1</p> <p>www.economicshelp.org</p>	<p>One of the top three catering hall franchises Weddings R US, goes out of business. What happens to the supply of catering halls? (Supply decreases; supply curve shifts to the left.)</p> <p>P (Arrow Up) Q (Arrow Down)</p> <p>Reason: <i>Number of Producers, S1 shifts left</i></p>
 <p>Price</p> <p>P1</p> <p>Q1</p> <p>www.economicshelp.org</p>	<p>Ms. Supply receives a promotion with a pay increase. She decides to purchase her wedding favors instead of making them herself. What happens to the demand for purchased wedding favors? (Demand increases; demand curve shifts to the right.)</p> <p>P (Arrow Up) Q (Arrow Up)</p> <p>Reason: <i>Tastes and Preferences and Increase in Income, D1 shifts right</i></p>

Ms Supply and Mr Demand



At the bridal shower, Mr. Demand and Ms. Supply do not receive a coffee-maker due to a shortage of factory parts. What happened in the marketplace to the supply of coffee makers? (Supply decreased; supply curve shifts to the left.)

P (Arrow Up)

Q (Arrow Down)

Reason: *Inputs, S1 shifts left*