

PRACTICE SHEET: SUPPLY – DEMAND

Draw a well-labeled graph and complete the analysis using the last item on your Note sheet as a model.

No.	Prompt	Graph	Eco Analysis
1	The government offers subsidies to electric vehicle (EV) manufacturers.	<p>A supply and demand graph for electric vehicles. The vertical axis is Price (P) and the horizontal axis is Quantity (Q). An upward-sloping supply curve (S) and a downward-sloping demand curve (D) intersect at equilibrium price P₁ and quantity Q₁. A second, rightward-sloping demand curve (D₂) is drawn, representing a shift in demand. The new equilibrium is at price P₂ and quantity Q₂. Dashed lines indicate the original equilibrium point.</p>	<ol style="list-style-type: none"> 1. Equilibrium Before - P_1, Q_1 2. Change - subsidy Supply or Demand first? S Determinant? subsidy Increase or decrease? ↑ 3. Equilibrium After - P_2, Q_2 Price - ↓ Quantity - ↑
2	A country imposes import restrictions on foreign steel.	<p>A supply and demand graph for steel. The vertical axis is Price (P) and the horizontal axis is Quantity (Q). An upward-sloping supply curve (S) and a downward-sloping demand curve (D) intersect at equilibrium price P₁ and quantity Q₁. A second, leftward-sloping supply curve (S₂) is drawn, representing a shift in supply. The new equilibrium is at price P₂ and quantity Q₂. Dashed lines indicate the original equilibrium point.</p>	<ol style="list-style-type: none"> 1. Before - P_1, Q_1 2. Change - import restrictions Supply or Demand first? S Determinant? govt regulations Increase or decrease? ↓ 3. After - P_2, Q_2 Price - ↑ Quantity - ↓
3	A health scare reduces consumer confidence in a particular type of food, like spinach.	<p>A supply and demand graph for spinach. The vertical axis is Price (P) and the horizontal axis is Quantity (Q). An upward-sloping supply curve (S) and a downward-sloping demand curve (D) intersect at equilibrium price P₁ and quantity Q₁. A second, leftward-sloping demand curve (D₂) is drawn, representing a shift in demand. The new equilibrium is at price P₂ and quantity Q₂. Dashed lines indicate the original equilibrium point.</p>	<ol style="list-style-type: none"> 1. Before - P_1, Q_1 2. Change - health scare Supply or Demand first? D Determinant? expectations Increase or decrease? ↓ 3. After - P_2, Q_2 Price - ↓ Quantity - ↓

<p>4.</p> <p>The cost of raw materials for producing bicycles increases.</p>		<p>1. Before - P_1, Q_1</p> <p>2. Change - cost ↑ Supply or Demand first? S Determinant? resource costs Increase or decrease? ↓</p> <p>3. After - P_2, Q_2 Price - ↑ Quantity - ↓</p>
<p>5.</p> <p>More people prefer organic food over conventionally grown food.</p>		<p>1. Before - P_1, Q_1</p> <p>2. Change - prefer organic Supply or Demand first? D Determinant? taste Increase or decrease? ↑</p> <p>3. After - P_2, Q_2 Price - ↑ Quantity - ↑</p>