

Supply and Demand Scenarios

Answer all of the following questions. There are several parts to most of the questions. Answer ALL parts for full credit.

1. You own a snowboard shop at a ski resort.
 - a. What will happen to the demand of snowboards in the winter months?
 - b. What will happen to the demand of snowboards in the summer months?
 - c. What will you do to snowboard prices in the winter?
 - d. What will you do to snowboard prices in the summer?
2. You are a dog breeder. Of a litter of 8 puppies, 5 are all black, 2 are black and brown, and only 1 is tri-colored (black, brown, and white). Will you price the tri-colored puppy differently than the black colored puppies? Why or why not?
3. You are an artist that creates abstract art. You believe that your art is one-of-a-kind, so you price it for \$1000. It has been 6 months, and no one has bought your art. What is the problem with demand? What can you do to change it?
4. This year, some professional football teams in the NFL allowed people to come watch their games in the stadium. But, they only let in 25% of the seating capacity due to COVID-19. What do you think happened to the price of NFL tickets this season? Why?
5. Why are the newest iPhones always really expensive? What happens to the price of the newest iPhone over time and why?