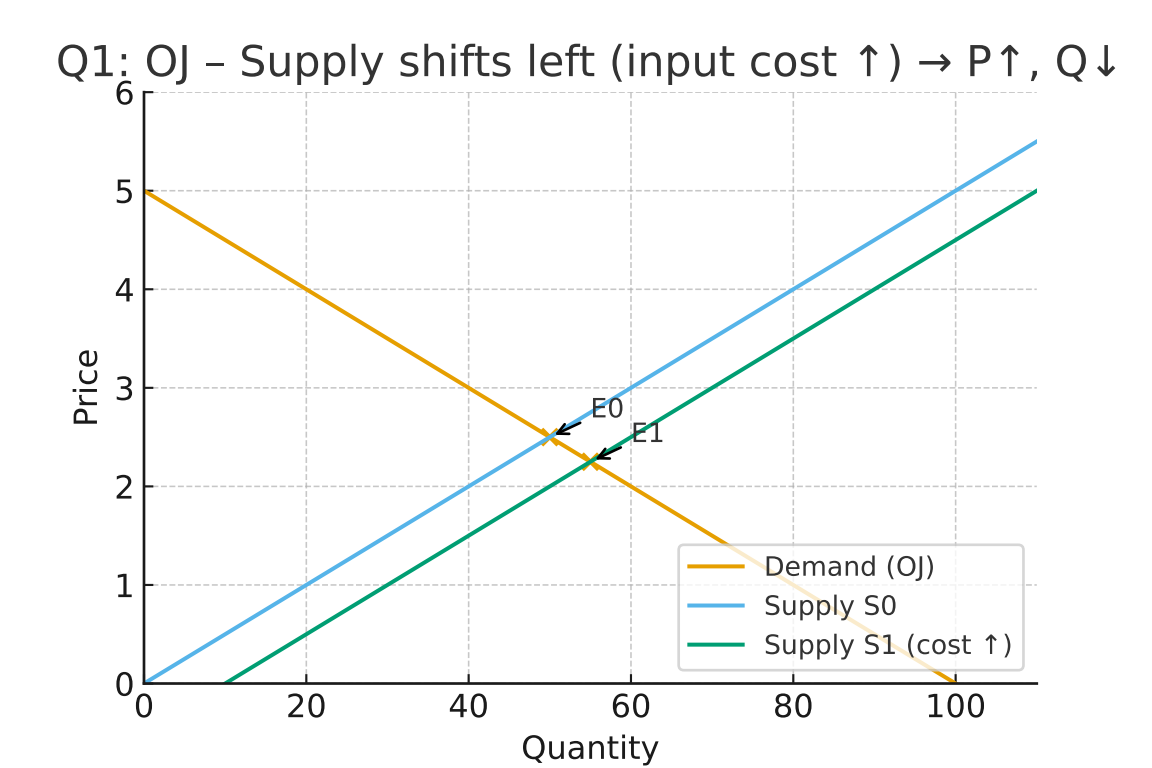
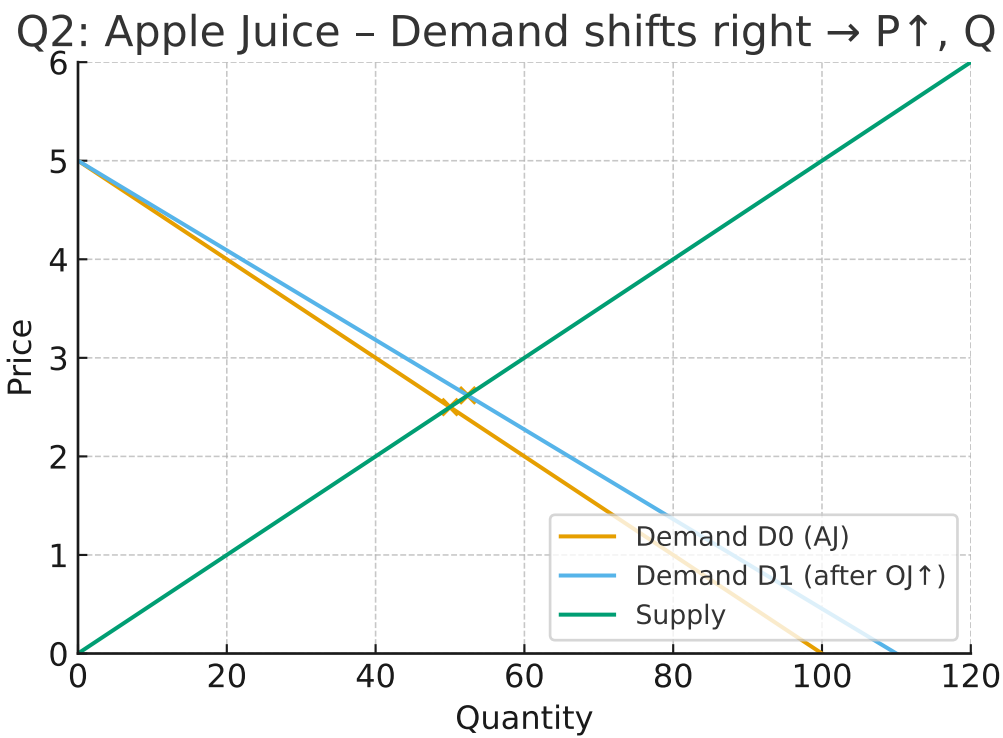
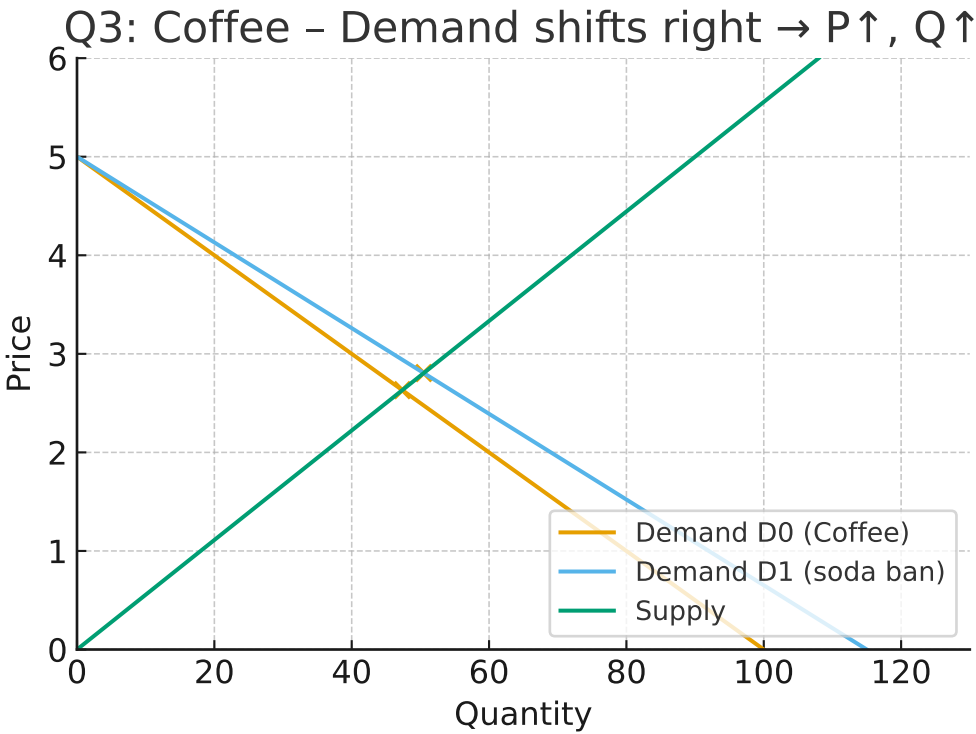
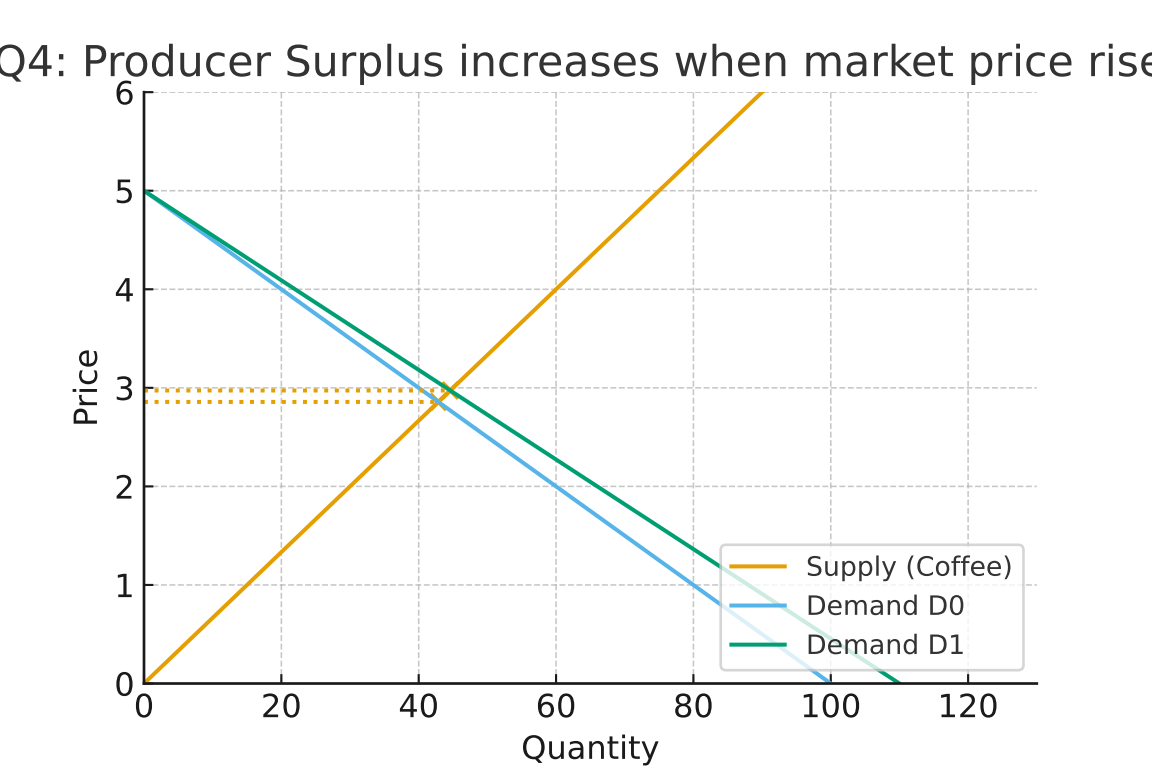
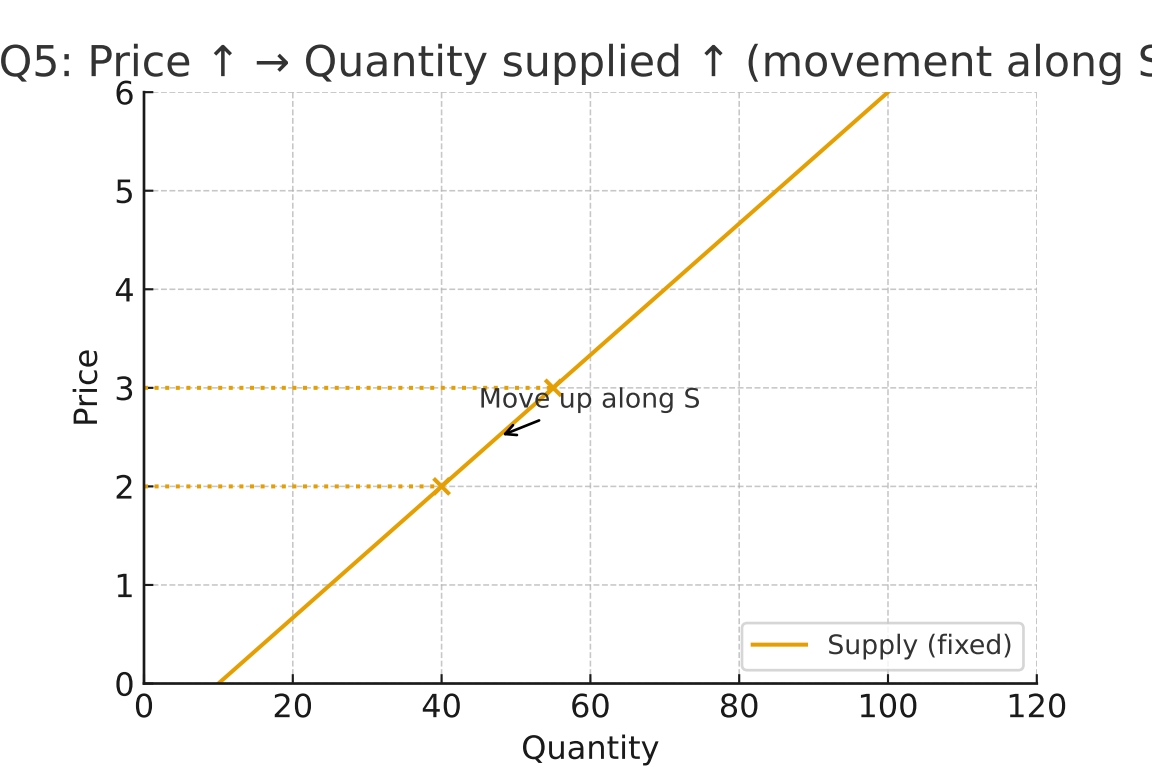
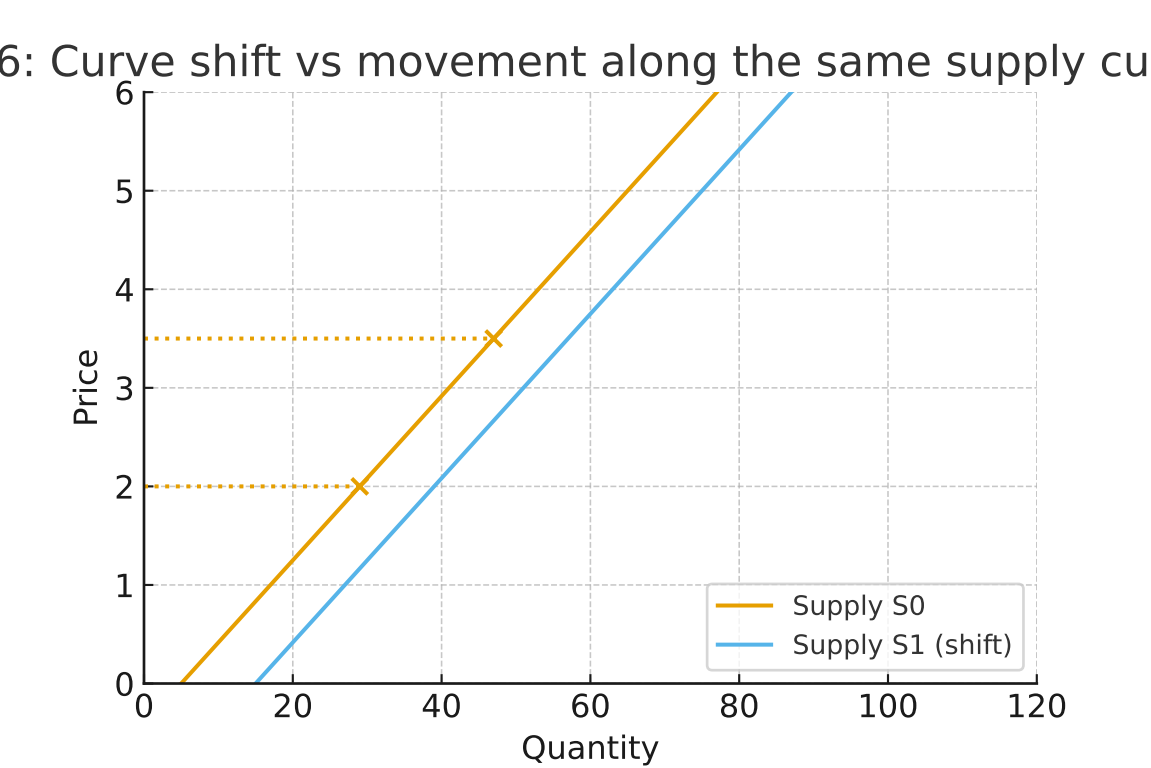

Q1: OJ – Supply shifts left (input cost ↑) → P↑, Q↓
Price
Quantity
0
1
2
3
4
5
6
0
20
40
60
80
100
E0
E1
Demand (OJ)
Supply S0
Supply S1 (cost ↑)

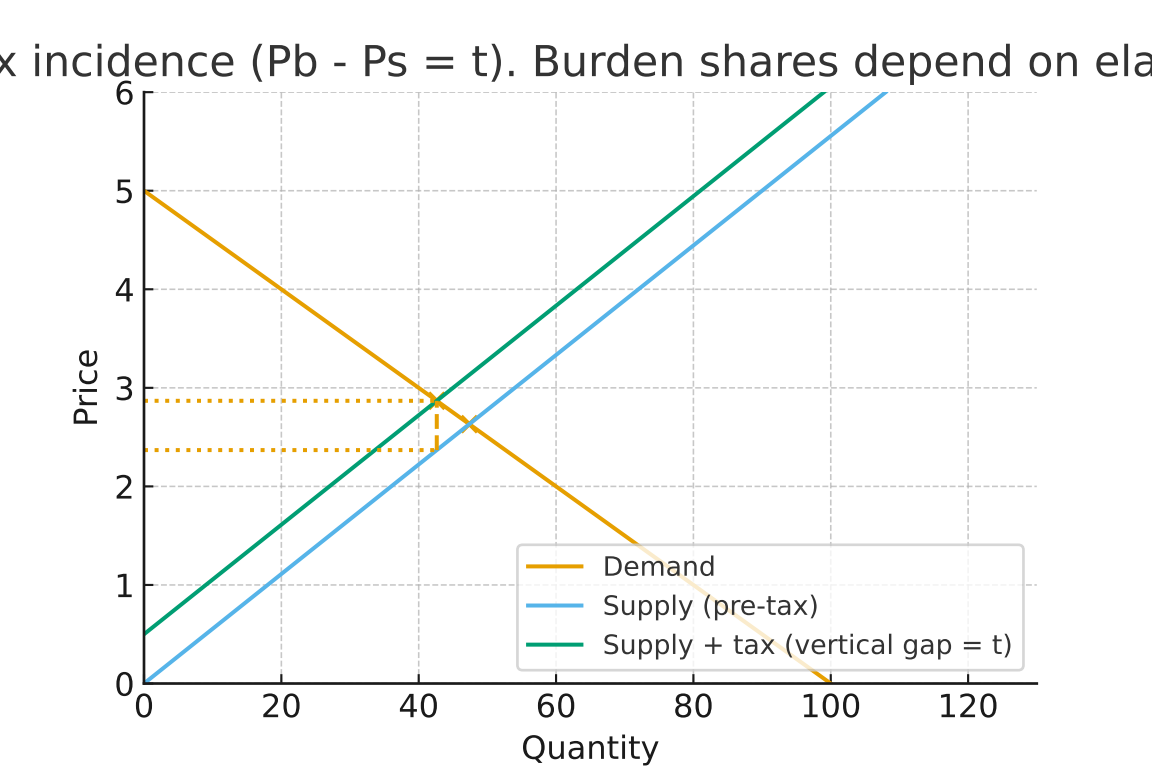

Q2: Apple Juice – Demand shifts right → P↑, Q↑
Price
Quantity
0
1
2
3
4
5
6
0
20
40
60
80
100
120
Demand D0 (AJ)
Demand D1 (after OJ↑)
Supply

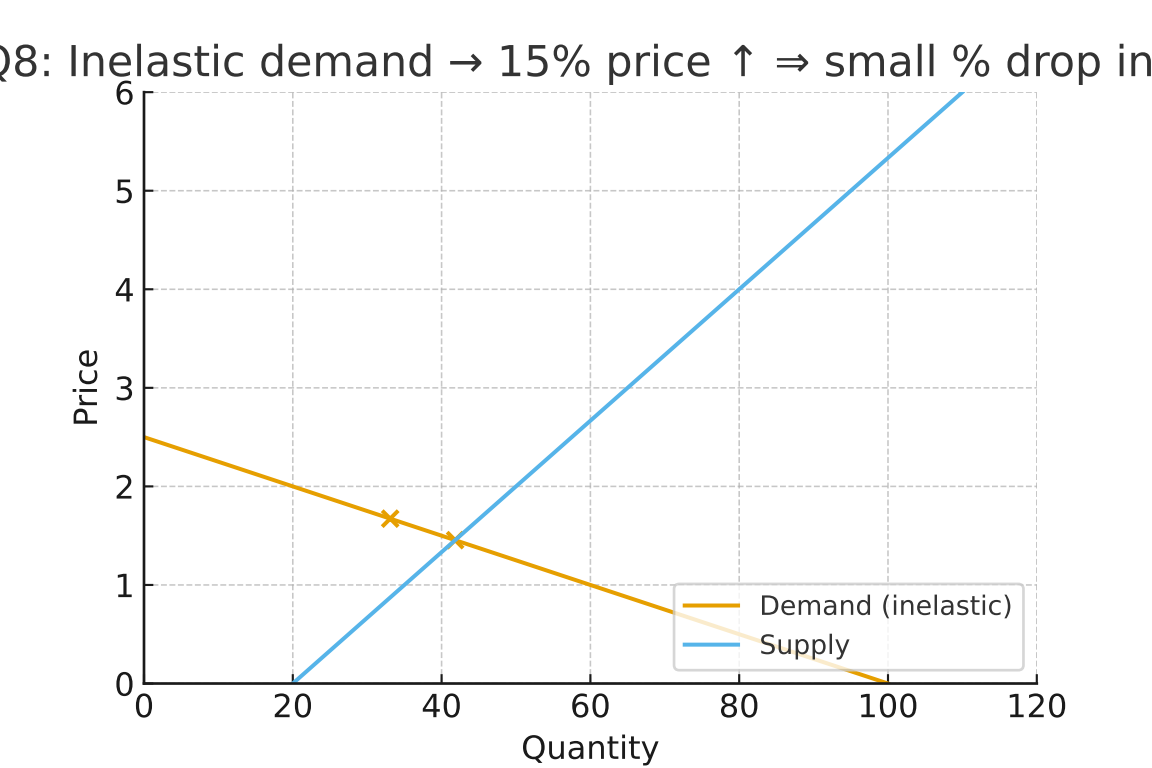

Q3: Coffee – Demand shifts right → P↑, Q↑
Price
Quantity
0
1
2
3
4
5
6
0
20
40
60
80
100
120
Demand D0 (Coffee)
Demand D1 (soda ban)
Supply

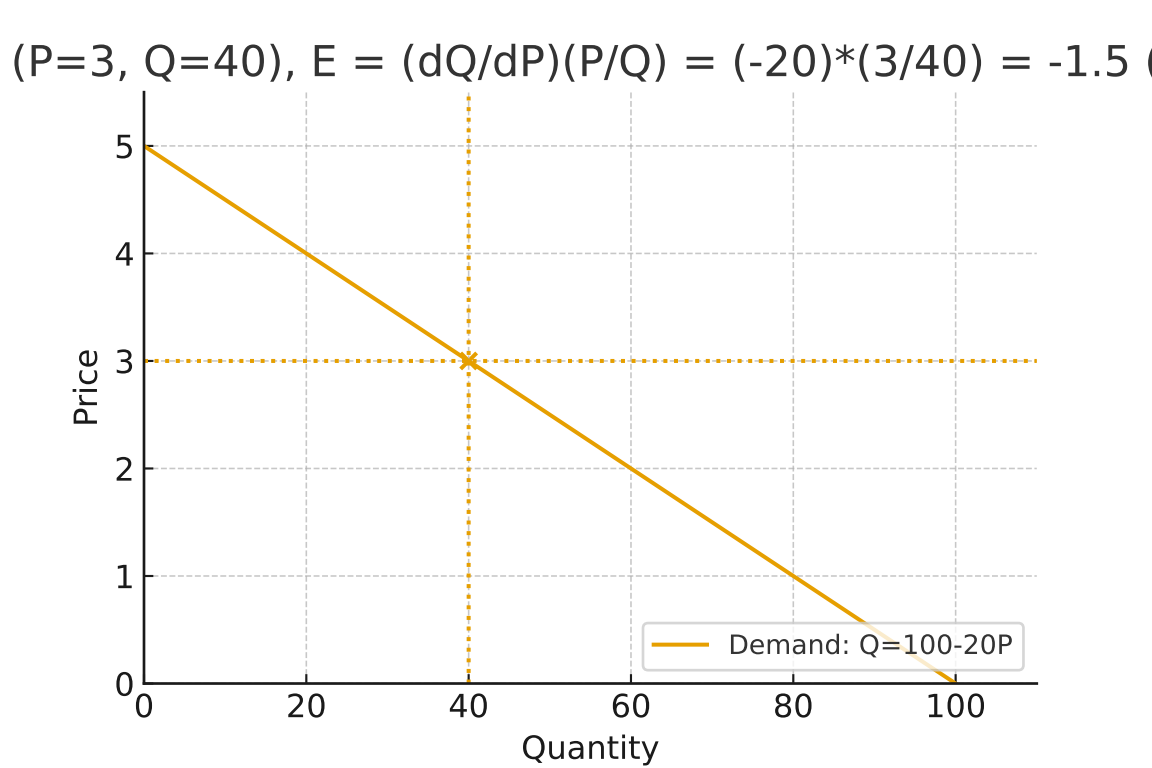

Q4: Producer Surplus increases when market price rise
Price
Quantity
0
1
2
3
4
5
6
0
20
40
60
80
100
120
Supply (Coffee)
Demand D0
Demand D1

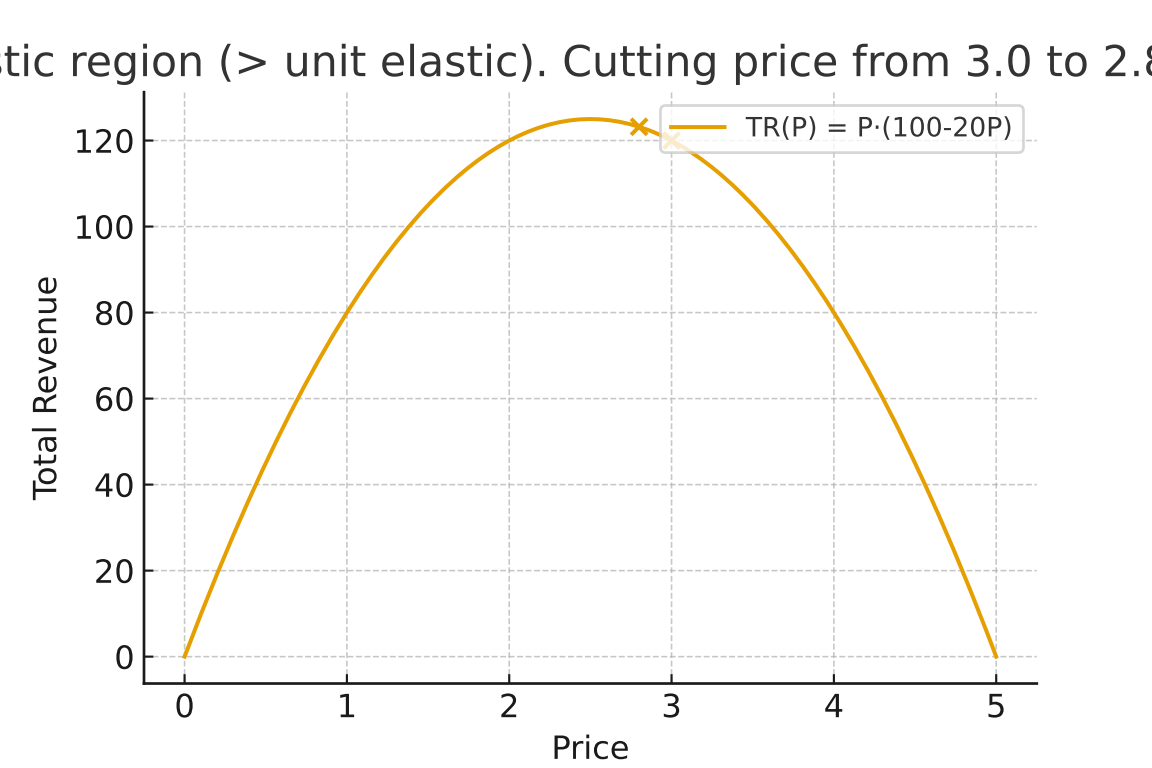

Q5: Price ↑ → Quantity supplied ↑ (movement along S
Price
Quantity
Move up along S
Supply (fixed)
0
1
2
3
4
5
6
0
20
40
60
80
100
120

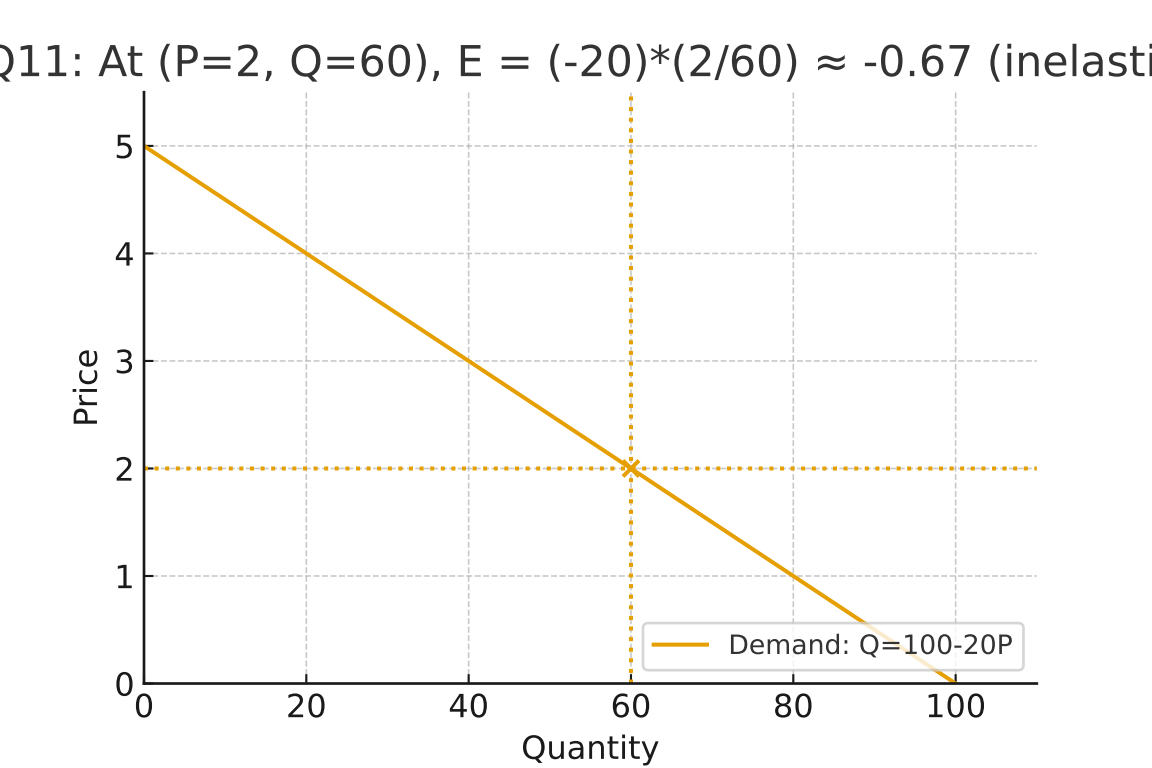

6: Curve shift vs movement along the same supply cu
Price
Quantity
0
1
2
3
4
5
6
0
20
40
60
80
100
120
Supply S0
Supply S1 (shift)

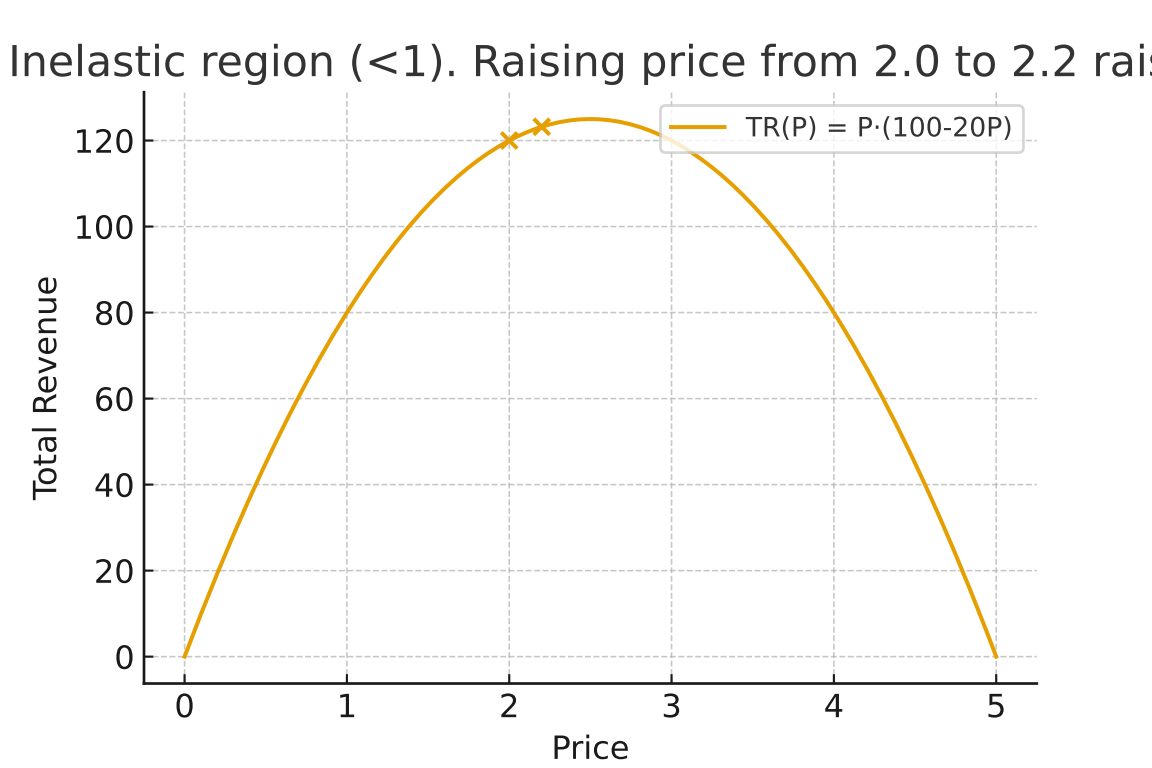

x incidence (Pb - Ps = t). Burden shares depend on ela
Price
Quantity
0
1
2
3
4
5
6
0
20
40
60
80
100
120
Demand
Supply (pre-tax)
Supply + tax (vertical gap = t)


Q8: Inelastic demand → 15% price ↑ ⇒ small % drop in
Price
Quantity
Demand (inelastic)
Supply
0
1
2
3
4
5
6
0
20
40
60
80
100
120


(P=3, Q=40), E = (dQ/dP)(P/Q) = (-20)*(3/40) = -1.5
Price
Quantity
0
1
2
3
4
5
0
20
40
60
80
100
Demand: Q=100-20P


stic region (> unit elastic). Cutting price from 3.0 to 2.8
TR(P) = P·(100-20P)
Total Revenue
Price
0
20
40
60
80
100
120
0
1
2
3
4
5


Q11: At (P=2, Q=60), E = (-20)*(2/60) ≈ -0.67 (inelasti
Price
Quantity
Demand: Q=100-20P
0
1
2
3
4
5
0
20
40
60
80
100


Inelastic region (<1). Raising price from 2.0 to 2.2 rais
TR(P) = P·(100-20P)
Total Revenue
Price
0
20
40
60
80
100
120
0
1
2
3
4
5