**Microeconomics Econ Brief 2**

**Worth 150 points due by 11:45pm on March 22nd in Dropbox on D2L, no exceptions**

Please answer the following question(s). To earn full points on this assignment submissions should include a well written response that clearly and concisely addresses and answers all parts of the question(s). Please use APA formatting, however please note your written response alone should be 1-2 pages doubled spaced typed (excluding title, header, name, page numbers etc.). Please cite references used in both the written response and a separate reference page. Please create and provide at least one original graph (if you create your graph(s) on a computer using software, please make a note that you did so and please state what software you used). Include any graphs or charts at the end of your written response and refer to them in the text. Make sure you answer the topic question(s) from an economic perspective. Briefs need to be submitted through Dropbox in D2L under the appropriate folder by the deadline listed above; briefs submitted late will be accepted up to 24 hours after the deadline listed above and will only be worth a maximum of 105 points out of 150.

Assume in a simple example that two things occur simultaneously in an economy which produces “Good X”. This first thing affects consumer preferences and will decrease consumer preferences for “Good X” in the economy. The second thing is a natural disaster which causes the cost of inputs used to produce “Good X” to increase. Assume that this is a competitive market and that “Good X” is a normal good, what will happen to the equilibrium price and quantity of “Good X”? Use supply and demand analysis to demonstrate your answer and be sure to provide the rationale behind what is happening and also discuss any interesting observations or outcomes. (Note: The magnitudes of any supply and/or demand shifts in this example are not specified; you may want to consider all possible scenarios).