

LSUECON #1 - Demand and Supply Review WS

Questions left unanswered while watching the video? → email me at [wpowell6@lsu.edu](mailto:wpowell6@lsu.edu)

This worksheet and many others were originally designed by me for students in Marx's Econ 2000 but just as students from other sections came to my sessions I wanted to make my materials available for all, forever. [LSUECON.org](http://LSUECON.org)

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**Warmup:** List the 5 shifters of the demand curve and the 4 of the supply curve, then to come up with an example of something that would cause the curve in either case to move.

Five shifters of the demand curve:

Examples:

- |          |       |
|----------|-------|
| 1. _____ | _____ |
| 2. _____ | _____ |
| 3. _____ | _____ |
| 4. _____ | _____ |
| 5. _____ | _____ |

Four shifters of the supply curve:

Examples:

- |          |       |
|----------|-------|
| 1. _____ | _____ |
| 2. _____ | _____ |
| 3. _____ | _____ |
| 4. _____ | _____ |

**Along vs. of:** work with your partner to determine when to move along the demand or supply curves vs to move the curve itself (along the line vs. moving the line).

Move along the curve when:

Move the curve when:

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**Main Activity:** application of concepts via questions. Pause the video and answer the following questions.

1. After completing the section above which of the two (moving along the curve vs. moving the curve) accurately reflects the law of demand?

Why?

1. If the price of smartphones decreases, all else being constant, people might buy more smartphones. Draw a graph that illustrates this movement.
2. If consumers' income increases, they might be willing to buy more smartphones at each price level. Draw a graph that illustrates this movement.
3. If there's an economic recession and people's incomes decrease, they might opt for more affordable options like ramen noodles.
  - a. Would this be a move along or of the curve? Why?
4. If the price of coffee decreases, assuming no other factors change, what will happen to the quantity demanded of coffee? How would you illustrate this change?

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5. When the price of movie tickets increases, people might choose to go to the movies less frequently. This is a result of a \_\_\_\_\_ (5 words). Following this movement we would expect the quantity demanded to \_\_\_\_\_.
6. Which of the following would cause the demand curve to shift from Demand A to Demand C? Explain why each option is correct or incorrect.
  - a. A decrease in the price of bananas
  - b. A heatwave in California
  - c. A study being published about findings that bananas decrease risk of stroke
  - d. A technological advance in harvesting bananas
7. One producer has exclusive rights to the production of carpets. If the market is currently in equilibrium but due to a recent strike relating to factory conditions, what can we expect to happen to the price of carpets in the market and quantity demanded?
8. What will happen to the equilibrium price and quantity of microchips if there is a technological advancement in the production of the microchips making them easier to produce and simultaneously the number of buyers in the market for textiles increases?
9. What will happen to the equilibrium price and quantity of widgets if there is a surge in the number of suppliers and simultaneously the income of buyers in the market decreases?
  - a. Based on how the market has reacted, what type of good are the widgets?