Economics Capstone Project - Unit 2

**Capstone Activity:** Each unit will contain at least one assignment that will be **typed** and saved as part of a culminating semester long final project. This unit students will make 3 supply and 3 demand graphs of products they purchase or use on a regular basis (use products that you included on your weekly spending chart from Unit 1). Students will explain real world events that would cause a shift in supply or demand for the products they are graphing. Students will also answer the Essential Questions from the unit.

Unit 2

1. Select 3 products that you purchase or use regularly (select items from your weekly spending chart from Unit 1).
2. Make Supply and Demand graphs for each product (total of 6 graphs). Make sure your graphs are labeled appropriately with axis and products identified.
3. Identify real world events that would cause a shift in demand and a shift in supply of each product and write a headline for these events.
4. On each graph, show the increases or decreases in supply and demand that would occur as a result of the events in your headlines.
5. Below each graph explain why the event results in a shift in demand or supply.

*EXAMPLE:*

“Gas prices hit $7.00/gal!” “US Gov goes broke, ends solar power subsidy”

P P

D D1 S1 S

Hybrid cars Q Solar Panels Q

EXP: When gas prices are high, EXP: If the subsidy for solar panels ends,

people are more willing to buy producers will reduce production.

hybrid cars.

1. Type the following Essential Questions from the unit and answer the questions with thoughtful, complete sentences. Quality responses will be several sentences or a small paragraph.
   1. Explain the Law of Demand and how changes in our society result in shifts in people’s willingness and ability to purchase goods and services. Give specific examples of real world events that would result in shifts in demand for particular products.
   2. Explain the Law of Supply and how changes in our society result in shifts in producer’s willingness and ability to provide goods and services. Give specific examples of real world events that would result in shifts in supply for particular products.