

Shifts in Demand

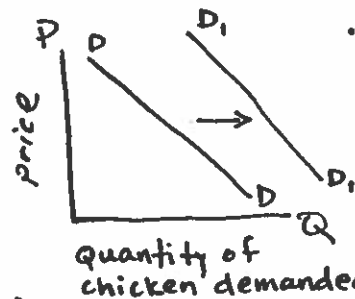
A demand curve reflects how much of a good or service people are willing to buy at different prices. Things can change that will effect the demand for a given product. Your assignment is to write headlines and graph corresponding demand curves that would reflect a shift in demand.

Directions: For this assignment we will look at 6 things that can shift a demand curve. You need to write 3 headlines that will cause an increase in demand and 3 headlines that will cause a decrease in demand. You must correctly draw and label a graph showing each of these shifts in demand.

Examples:

1. Change in number of consumers/population.

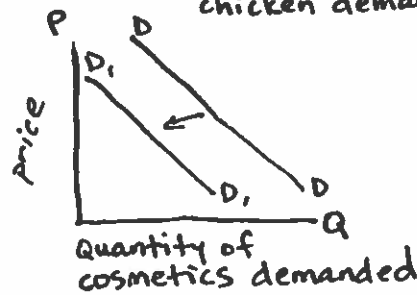
Headline "California Has Country's Fastest Growing Population"



• demand for chicken has increased

2. Change in tastes/preferences.

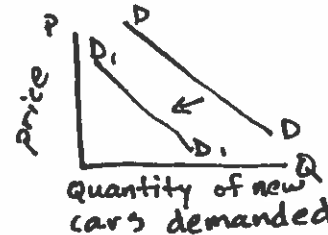
Headline "Fashion Industry says the 'Natural Look' is 'In' this year"



• demand for cosmetics has decreased.

3. Change in income.

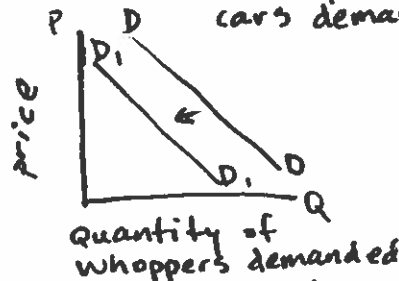
Headline "Economists Show Average Household Income Down This Year."



• demand for new cars has decreased.

4. Change in price of a substitute good.

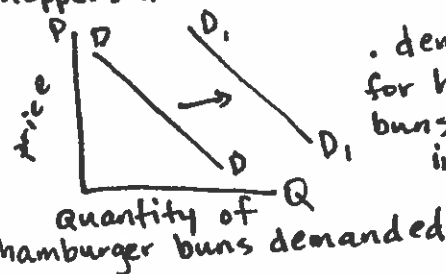
Headline "McDonalds Cuts Price of Big Mac To Just 25¢"



• demand for whoppers has decreased.

5. Change in price of a complimentary good.

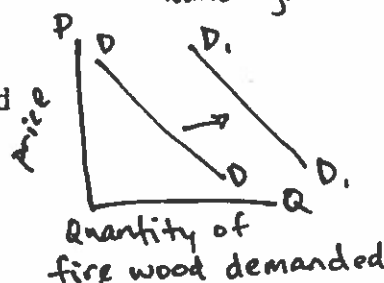
Headline "Price of Hamburger Patties Drops 50%"



• demand for hamburger buns has increased.

6. Change in future expectations.

Headline "Record Low Temperatures Predicted This Winter"



• demand for firewood has increased.