Why Demand Changes

REASONS for Changes in Demand

PART |

Read the following eight newspaper headlines. In each case decide if the event will cause a change in the current market <u>demand for beef</u>. If so, decide if it is an increase or a decrease, and write the correct answer. For example, if you think headline 1 means there will be a decrease in demand, write "decrease" in the first

blank. For headline 2, if you think demand will increase, write "increase." If the event causes no change in demand, write demand will "not change."

A.	PRICE OF BEEF RISES			
	Demand for beef will			
В.	MILLIONS OF IMMIGRANTS SWELL U.S. POPULATION			
	Demand for beef will			
C.	PORK PRICES DROP			
	Demand for beef will			
D.	SURGEON GENERAL WARNS THAT EATING BEEF CAN BE HAZARDOUS TO HEALTH			
	Demand for beef will			
E.	TAKE-HOME PAY FOR AMERICANS DROPS 3RD MONTH IN ROW			
	Demand for beef will			
F.	NATIONWIDE FAD: THE JALAPEÑO BURGER			
	Demand for beef will			
G.	HIGHER PRICE FOR CHARCOAL THREATENS MEMORIAL DAY COOKOUTS			
	Demand for beef will			
Н.	BEEF PRICES EXPECTED TO SKYROCKET NEXT MONTH			
	Demand for beef will			
PART II Put each change in demand from Part I into one of the following categories, based on the reason for the change. Write the letter of the headline(s) next to the appropriate reason for the change in demand (Note: some categories may have more than one headline letter, and any event that did not change demand should not be listed with any of the determinants).				
	A change in consumer tastes			
	A change in consumer incomes			
	A change in the number of consumers in the market			
	A change in the price of a substitute good			
	A change in the price of a complementary good			
	A change in consumers' price expectations			

SHIFTS in Demand Curves

اممند	\ \ \ \ Read the following eight newspaper headings. In each case decide if the				
Price	\ \ \ \ event will cause a change in the current demand for beef. If so, determine				
(P)	\ \ \ \ \ \ whether it is an increase or a decrease, and write the correct answer.				
	Begin at curve 3. If you think headline A means there will be a decrease				
	\ \ \ in demand, write "decrease" in the first blank and "2" in the second				
	\ \ \ \ blank; move to curve 2 to do headline B. Or, if you think headline A				
	\ \ \ \ means demand will increase, write "increase" and "4" in the				
	\ \ \ \ blank for headline A; move to curve 4 to do headline B.				
	\ \ \ \ Move only one curve at a time. Do not skip two curves, say				
	\ \ \ \ from 1 to 3, even if you think the headline means there				
	\ \ \ \ \ will be a large change in demand. Do not go beyond the				
	\ \ \ \ five curves. If you are at 1 and the next headline				
	\ \ \ \ implies a decrease in demand, you goofed				
	\ \ \ \ somewhere. There is one headline which implies				
	\ \ \ \ \ that the demand for beef does not change.				
	1 2 3 4 5				
	Post Consumption in May (O)				

A.	PRICE OF BEEF RISES		
	Demand for Beef	Move to Curve #	
В.	MILLIONS OF IMMIGRANTS SWELL U.S. POPULATION		
	Demand for Beef	Move to Curve #	
C.	PORK PRICES DROP		
	Demand for Beef	Move to Curve #	
D.	. SURGEON GENERAL WARNS THAT EATING BEEF CAN BE HAZARDOUS TO HEALTH		
	Demand for Beef	Move to Curve #	
E.	TAKE-HOME PAY FOR AMERICANS DROPS 3RD MONTH IN ROW		
	Demand for Beef	Move to Curve #	
F.	NATIONWIDE FAD: THE JALAPEÑO BURGER		
	Demand for Beef	Move to Curve #	
G.	HIGHER PRICE OF CHARCOAL THREATENS MEMORIAL DAY COOKOUTS		
	Demand for Beef	Move to Curve #	
Н.	H. BEEF PRICES EXPECTED TO SKYROCKET NEXT MONTH		
	Demand for Beef	Move to Curve #	