

Why Demand Changes



REASONS for Changes in Demand

PART I

Read the following eight newspaper headlines. In each case decide if the event will cause a change in the current market demand for beef. 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 _____

B. 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 _____

H. 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

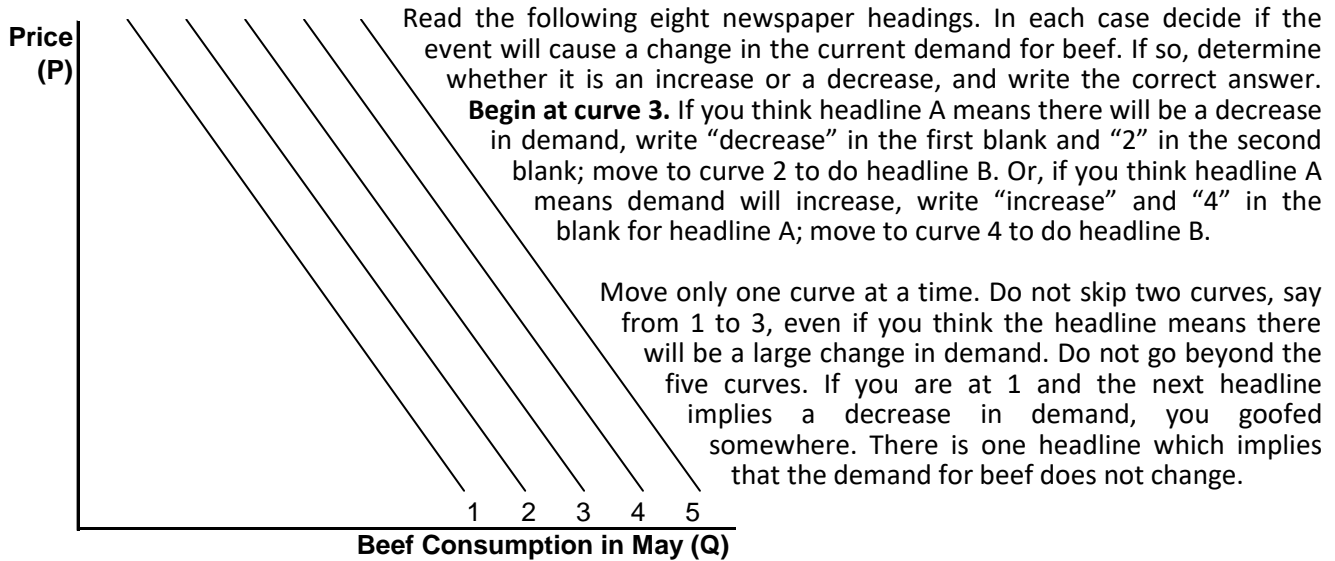
_____ A change in the price of a substitute good

_____ A change in the price of a complementary good

_____ A change in consumers' price expectations

Why Demand Changes

SHIFTS in Demand Curves



A. PRICE OF BEEF RISES

Demand for Beef _____ Move to Curve # _____

B. 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 # _____

H. BEEF PRICES EXPECTED TO SKYROCKET NEXT MONTH

Demand for Beef _____ Move to Curve # _____