

Name _____ Date _____

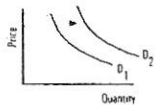

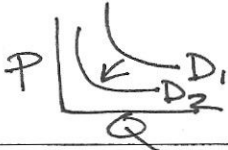
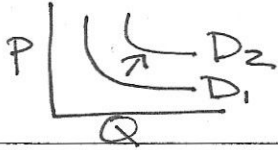
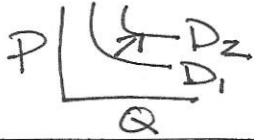
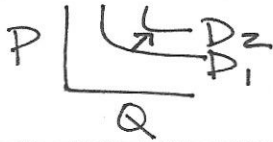
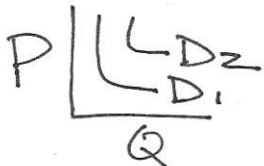
ECONOMIC SKILLS LAB
ANALYZING CHANGES IN DEMAND

The quantity of a product demanded depends on its price and on the prices of substitute and complementary products. Sometimes conditions change, and the demand for a product shifts so that different quantities are demanded at each and every price.

Changes in the following **variables** can lead to a shift in demand:

- a. income
- b. the price of substitutes
- c. the number of buyers
- d. the price of complements
- e. tastes and preferences
- f. expectations

After the "events" described in column 1, what will happen to the demand for the products listed in column 2? In the space provided in column 3, show how the demand curve shifts. Write the letter in column 4 of the variable that is responsible for the change.

1. Event	2. Product	3. Demand Shift	4. Variable
The price of steak increases.	Hamburger ↑ D		b. The price of substitutes
Low-fat diets grow in popularity.	Fresh grapes ↑ D		e
Disney World increases admission prices.	Hotel rooms near Disney World ↓ D		d
The price of eggs falls.	Bacon ↑ D		d
A hard freeze destroys much of the <u>future</u> orange crop.	Orange juice ↑ D		f
The price of gasoline increases dramatically.	Motorcycles ↑ D		d
People's incomes drop.	Chicken ↑ D		a