

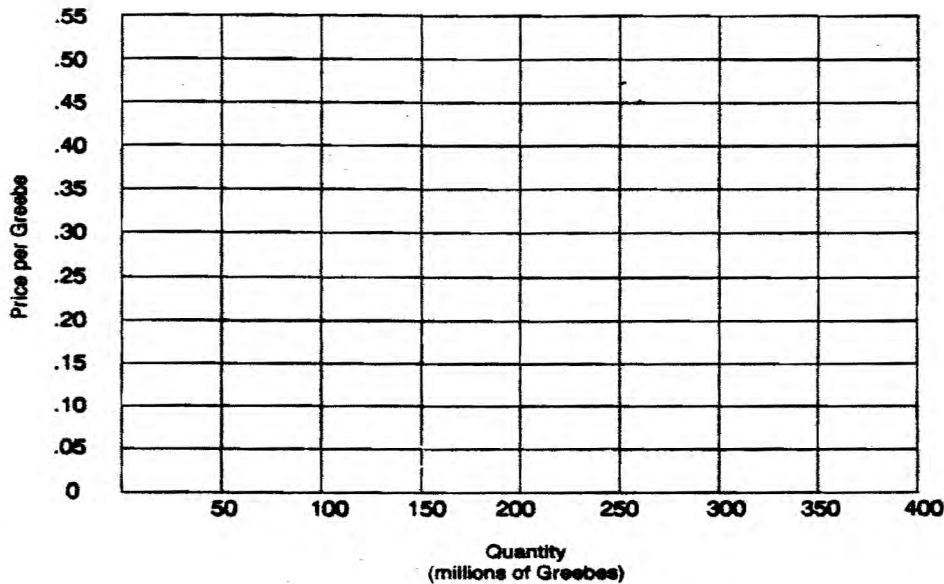


# Demand Curves, Moves Along Demand Curves, and Shifts in Demand Curves

Below is a table showing the market demand for Greebes, a hypothetical product introduced to spare you the confusion of real-world associations. Study the data in the table, and plot the demand for Greebes on the axes provided below. Label the demand curve *D*, and answer the questions on the following pages.

**Demand for Greebes**

Price (\$ per Greebe)	Quantity demanded (millions of Greebes)
\$.10	350
.15	300
.20	250
.25	200
.30	150
.35	100
.40	50

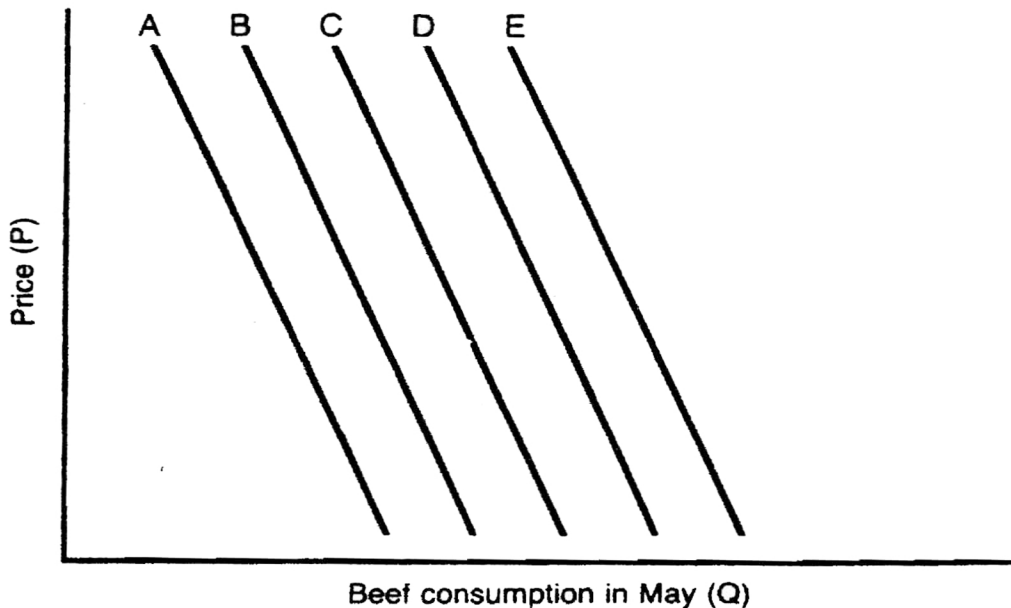


The data for demand curve *D* indicate that at a price of \$.30 per Greebe, buyers would be willing to buy \_\_\_\_\_ million Greebes. Other things constant, if the price of Greebes increased to \$.40 per Greebe, buyers would be willing to buy \_\_\_\_\_ million Greebes. Such a change would be a decrease in \_\_\_\_\_  
(demand/quantity demanded). Other things constant, if the price of Greebes decreased to \$.20, buyers would be willing to buy \_\_\_\_\_ million Greebes. Such a change would be called an increase in \_\_\_\_\_  
(demand/quantity demanded)

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## Reasons for Changes in Demand



Read the following eight newspaper headlines. In each case decide if the event will cause a change in the demand for beef. If so, determine if it is an increase or a decrease, and write the correct answer. Begin at curve C. If you think headline 1 means there will be a decrease in demand, write "decrease" in the first blank and "B" in the second blank; move to curve B to do headline 2. If you think demand will increase, write "increase" and "D" in the blanks for headline 1; move to curve D to do headline 2.

Move only one curve at a time. Do not skip from say A to C 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 A 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    PRICE OF BEEF TO RISE IN JUNE  
Demand \_\_\_\_\_ Curve \_\_\_\_\_
- 2    MILLIONS OF ALIENS SWELL U.S. POPULATION  
Demand \_\_\_\_\_ Curve \_\_\_\_\_
- 3    PORK PRICES DROP  
Demand \_\_\_\_\_ Curve \_\_\_\_\_
- 4    SURGEON GENERAL WARNS THAT EATING BEEF CAN BE HAZARDOUS TO HEALTH  
Demand \_\_\_\_\_ Curve \_\_\_\_\_

- 5    MIGRATORY BIRDS HEAD NORTH; SUMMER AWAITS  
Demand \_\_\_\_\_ Curve \_\_\_\_\_
- 6    REAL INCOME FOR AMERICANS DROPS 3RD MONTH IN ROW  
Demand \_\_\_\_\_ Curve \_\_\_\_\_
- 7    CHARCOAL SHORTAGE THREATENS MEMORIAL DAY COOKOUTS  
Demand \_\_\_\_\_ Curve \_\_\_\_\_
- 8    NATIONWIDE FAD: THE DISCO-BURGER  
Demand \_\_\_\_\_ Curve \_\_\_\_\_

**Optional bonus:** Categorize each change in demand in the exercise above according to the reason that demand changed. Write the number of the headline(s) next to the reason for the change in demand. One category will have two headline numbers.

- T \_\_\_\_\_ A change in consumer tastes
- I \_\_\_\_\_ A change in income
- M \_\_\_\_\_ A change in the number of consumers in the market
- E \_\_\_\_\_ A change in consumer expectations
- R \_\_\_\_\_ A change in the price of a substitute good
- \_\_\_\_\_ A change in the price of a complementary good