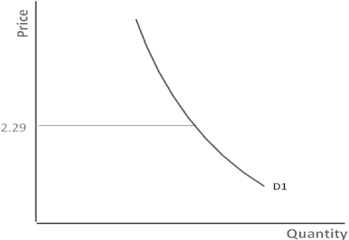
## Market Changes in Demand

Practice your graph skills with this worksheet. You will be given several different scenarios that occur to a market that was in equilibrium before this scenario occurred. Follow these instructions:

* 1. Graph the new situation so that it shows the change that occurred.
  2. Circle where indicated whether there has been a change in demand, or a change in quantity demanded.
  3. Be sure to show the new equilibrium price and quantity points on your graph.
  4. Provide the explanation for the change.

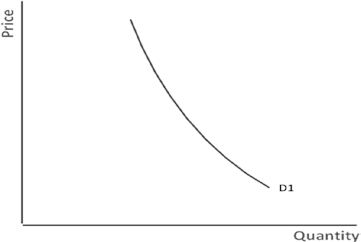
Here are your scenarios:

1. The price of peaches is $2.29 per pound on Monday. On Thursday, the price of peaches goes to $2.79 per pound.

Peaches Graph:

What changes: D or Qd?

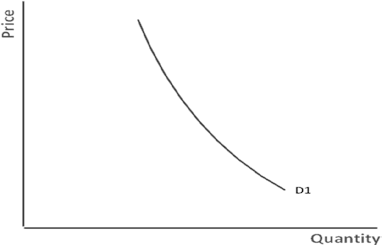
1. The incomes of the city of Downville have decreased by 20% due to the closing of a large factory. What happens in the peach market in the local grocery store?

Peaches Graph:

What changes? D or Qd?

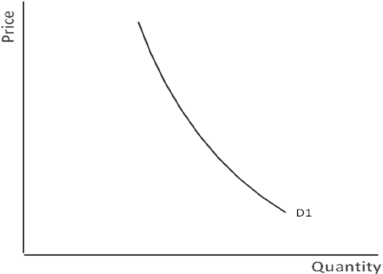
1. Suppose The American Heart

Association declares that peaches promote good heart health.

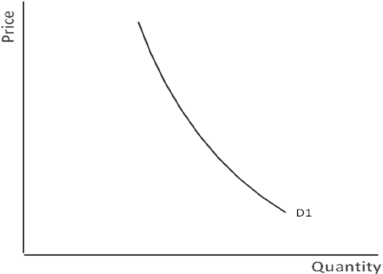
Peaches Graph:

What changes: D, or Qd?

1. You and your friends expect that the ability to download songs from the internet for free will end in 3 months, and then downloads will be for purchase only. Show what happens in the market tomorrow!

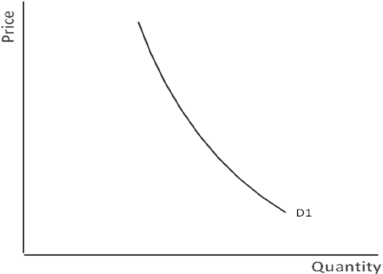
Downloaded Songs Graph:

1. The price of popcorn goes from $5 a bag to $3 a bag.

Popcorn Graph:

What changes: D or Qd?

What changes: D or Qd?

1. Now show the changes that occur in the apple market given the following: Peaches and apples are substitutes. The price of apples increases.

Peaches Graph:

What changes: D or Qd?

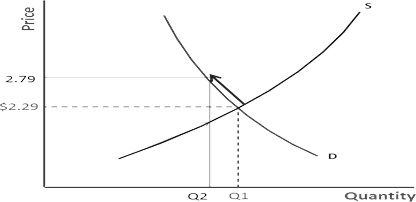
## Market Changes in Demand Answer Key

Practice your graph skills with this worksheet. You will be given several different scenarios that occur to a market that was in equilibrium before this scenario occurred. Follow these instructions:

1. Graph the new situation so that it shows the change that occurred.
2. Circle where indicated whether there has been a change in demand or a change in quantity demanded.
3. Be sure to show the new equilibrium price and quantity points on your graph.
4. Provide the explanation for the change.

Here are your scenarios:

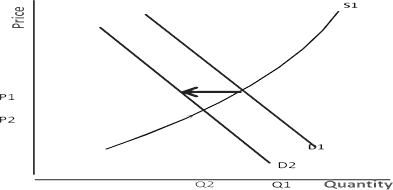
1. The price of peaches is $2.29 per pound on Monday. On Thursday, the price of peaches goes to $2.79 per pound.

Peaches Graph:

What changes: D or Qd? *Qd*

*1d. An increase in price causes a decrease in quantity demanded.*

1. The incomes of the city of Downville have decreased by 20% due to the closing of a large factory. What happens in the peach market in the local grocery store?

Peaches Graph:

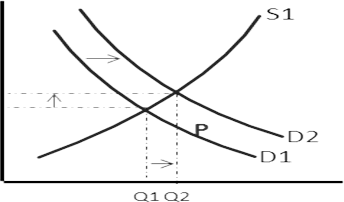
What changes? D or Qd? *D*

*2d. Decrease in income causes a decrease in demand for peaches.*

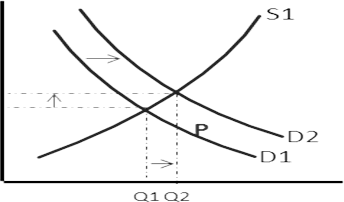
1. Suppose The American Heart Association declares that peaches promote good heart health.

Peaches Graph:

What changes: D or Qd? *D*

*3d. Due to people preferring healthy lifestyles there is an increase in demand for peaches.*

1. You and your friends expect that the ability to download songs from the internet for free will end in 3 months, and then it downloads will be for purchase only.

Downloaded

Songs Graph:

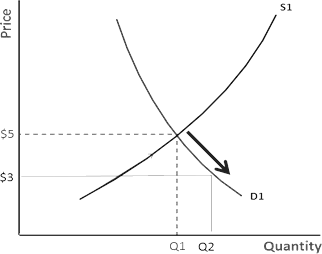
What changes: D or Qd? *D*

*4d. Since you are expecting prices to rise for songs in 3 months, demand for songs will increase now since it is free.*

1. The price of popcorn goes from $5 a bag to $3 a bag.

Popcorn Graph:

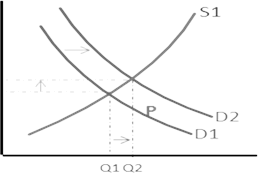
What changes: D or Qd? *Qd*

*5d. A decrease in the price of the popcorn causes an increase in quantity demanded for popcorn.*

1. Now show the changes that occur given the following: Peaches and apples are substitutes. The price of apples increases.

Peaches Graph:

What changes: D or Qd? *D 6d. An increase in the price of*

*the substitute, apples, will cause*

*an increase in demand for peaches.*