

Understanding Supply and Demand Day 1

Instructions: For each scenario, determine whether it represents an increase (+S) in supply, an increase in demand (+D), a decrease in supply, (-S) or a decrease in demand (-D). Write your answer in the blanks.

1) (Teacher Model) The government imposes a tax on imported smartphones, causing their prices to rise.

Answer: _____-S_____WHY?

2) A new technology is developed that makes the production of electric cars cheaper.

Answer:

3) A heat wave hits a region, increasing the demand for air conditioners.

Answer:

4) A popular fashion brand announces a 50% discount on its products.

Answer:

5) The price of oil doubles due to a conflict in the Middle East.

Answer:

6) A decrease in the price of computers leads to a surge in purchases.

Answer:

7) A loosening of restrictions and taxes on imports has made it easier and cheaper for foreign cars to be sold in the U.S.

Answer:

8) Jordan is about to drop his newest shoes.

Answer: