Supply & Demand Challenge
(the up/down game)

Task
a. Using supply and demand diagrams illustrate the following events
b. For each event write a short paragraph (think the five five steps)
c. For extra critical thinking bonus points, discuss/note/observe the probable assumptions that have to be made for the scenario to work

Five Steps
1. Sketch the original equilibrium
2. Find out what curve shifts and in which direction.
3. At the original price, is there now a **shortage** or **surplus**?
4. Look at the curve that did not shift. Is there an **extension** or **contraction** to arrive at the new equilibrium?
5. Compare the new equilibrium to the original? Comment on the change in price and change in quantities.

Also be sure to:-
- Tip 1: fully label diagrams
- Tip 2: don't try and do too much, at this stage it is unusual to shift two things
- Tip 3: students very often get movements and shifts confused. Do not be that person.
- Tip 4: for Q4-6 you may want to draw two diagrams to understand the situation

Everyone will draw on their own whiteboard and then someone will be asked to come up and draw on the big white board!!!

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1. Unusually good weather creates wonderful harvests and the price of corn decreases, ceteris paribus. What happens to the market for corn?
2. The government places a higher indirect tax on all sugary drinks, ceteris paribus. What happens to the market for sugary drinks?
3. Country A has an aging population. What happens to the market for adult diapers?
4. A disease kills 90% of all cows. What happens to the market for beef?
5. A disease kills 90% of all cows. What happens to the market for chicken?
6. A disease kills 90% of all cows.. What happens to the market for leather products?
7. The government increases the national minimum wage. What happens to the market for McDonald's food?
8. The government decreases direct tax (tax on incomes). What will happen to the market for normal goods?
9. The price of printers fall, ceteris paribus. What happens to the market for ink cartridges?
10. Mr O'Donnell starts wearing new pink and yellow polka dot socks. Everybody notices them. What happens to the market for those pink and yellow polka dot socks? (Do I dress as well as Ayan and have a positive influence on T&P or a negative influence?)