

NAME: _____ DATE: _____ PERIOD: _____

WORKSHEET: SHIFTS IN SUPPLY, DEMAND AND EQUILIBRIUM

What will happen to the equilibrium price and the equilibrium quantity in each of the following situations? Complete the chart below AND diagram the change for each question (#5-15)

What will happen when . . .	What is shifting?	Which way?	Cause for Change	Equilibrium Price	Equilibrium Quantity
1) Supply Increases?	Supply	right		Decreases	Increases
2) Supply Decreases?	Supply	left		Increases	Decreases
3) Demand Increases?					
4) Demand Decreases?					
What will happen to . . .					
5) <i>paper</i> when the cost of <u>trees</u> increases?	Supply	left	Price of Resources	Increases	Decreases
6) <i>sweaters</i> when the cost of <u>wool</u> decreases?					
7) <i>desks</i> when faster desk making <u>machinery</u> is invented?					
8) <i>tires</i> if the price of <u>cars</u> fall?					
9) <i>pretzels</i> when the cost of <u>potato chips</u> goes up?					
10) <i>HD televisions</i> when <u>salaries</u> rise?					
11) <i>dress shoes</i> when people start buying <u>sneakers</u> instead?					
12) <i>houses</i> when a plague wipes out half of the world's population?					
13) <i>sweaters</i> when the <u>cost of wool</u> increases AND the season changes from summer to fall to winter?	..... SUPPLY	left	Price of Resources	Increases	Decreases
	..... DEMAND	right	Tastes	Increases	Increases
14) <i>audio cassettes</i> when CD players are invented AND the <u>government pays companies</u> to produce more CDs?	..... SUPPLY				
	..... DEMAND				
15) <i>dress shoes</i> when the cost of leather decreases AND people start buying sneakers instead?	..... SUPPLY				
	..... DEMAND				