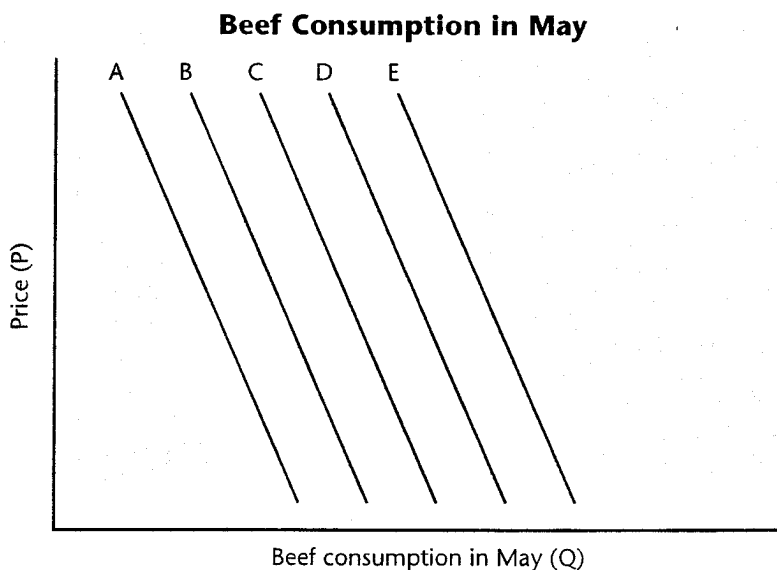


ACTIVITY 13

Reasons for Changes in Demand

**Part A.**

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. If no change, write "N.C."

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 that implies that the demand for beef does not change.

1. Price of Beef to Rise in June

Demand _____ Curve _____

2. Millions of Immigrants 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. Beef Prices Fall; Consumers Buy More

Demand _____ Curve _____

Unit 2

ACTIVITY 13 continued

6. **Real Income for Americans Drops Third Month in Row**

(Beef is considered a normal good.)

Demand _____ Curve _____

7. **Charcoal Shortage Threatens Memorial Day Cookouts**

Demand _____ Curve _____

8. **Nationwide Fad: The Disco-Burger**

Demand _____ Curve _____

Part B.

Categorize each change in demand in Part A 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.

_____ A change in consumer expectations

_____ A change in consumer tastes

_____ A change in the number of consumers in the market

_____ A change in income

_____ A change in the price of a substitute good

_____ A change in the price of a complementary good