

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up on the front of this sheet of paper. Failure to follow these directions will cost you 10 points. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

1) (20 points) Draw the supply and demand for blueberries. Illustrate the effects of a press release which states that blueberries help reduce the chances of many diseases like cancer. (They actually do that.) Explain why the curve(s) moved as drawn. What happens to the price charged and the quantity sold?

2) (20 points) Draw the supply and demand for tomatoes. Illustrate the effects of an increase in the pay of farm workers. Explain why the curve(s) moved as drawn. What happens to the price charged and the quantity sold?

3) (20 points) Draw the supply and demand for smart phones. Illustrate the effects of a new company entering the market. Explain why the curve(s) moved as drawn. What happens to the price charged and the quantity sold?

4) (20 points) Draw the supply and demand for desks. Illustrate the effects of an increase in the price of doors. Explain why the curve(s) moved as drawn. What happens to the price charged and the quantity of desks sold?

5) (20 points) Draw the supply and demand for apartments. Illustrate the effects of a price ceiling on apartments (rent controls). What problem is caused? Prove the consumer is hurt. (If this question was on the test, I would ask about consumer surplus and producer surplus, but you will learn about those on the day you hand this in.)