

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/demand diagram for winter hats. Illustrate the effects of the recent cold weather. Explain why the curve(s) moved as drawn. What happens to the price of a hat and the quantity sold?

2) (20 points) Draw the S/D diagram for iPhones. Illustrate the effects of an increase in people's income. Explain why the curve(s) moved as drawn. What happens to the price and quantity sold?

3) (20 points) Draw the S/D diagram for desks. Recently, the price of wood has greatly increased. Illustrate the effects of that on the graph. Explain why the curve(s) moved as drawn. What happens to the price of a desk and the quantity sold?

4) (20 points) Draw the S/D diagram for fire trucks. Illustrate the effects of an increase in the price of long-haul trucks. Explain why the curve(s) moved as drawn. What happens to the price of a fire truck and the quantity of fire trucks sold?

5) (20 points) Draw the supply/demand diagram for housing in Sweden. Sweden has rent controls. Illustrate that on the graph. Explain why the graph looks like it does. Use your graph to explain one of the problems discussed in the BBC article.

<https://www.bbc.com/news/business-58317555>