

Equilibrium Practice – Curve Shifting

C.1 Determinants

List and number the appropriate determinants for both supply and demand

Determinants of Demand	Determinants of Supply
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1. Income
2. Consumer Expectations
3. Population
4. Tastes + Preferences
5. Price of Related Goods (substitutes + compliments)

1. Resource Prices
2. Number of Sellers
3. Government Intervention (taxes + subsidies)
4. Price of other goods
5. Price expectations

C.2 Cause and Effect

Fill in the blanks to the table with the appropriate answers. The first one is done for you.

Determinant	Does the Determinant cause a Shift?	Does it Shift Supply or Demand?	Is this Shift to the Right or to the Left?	What Happens to the Price Level?	What Happens to Quantity of Output?
Government reduces regulation on food industry.	Yes	Supply	Right	Decreases	Increases
1. Consumers fear a recession and begin to save more.	Yes	Demand	Left	Decreases	Decreases
2. A trend hits the market for sporting goods.	Yes	Demand	Right	Increases	Increases
3. The cost of steel begins to rise.	Yes	Supply	Left	Increases	Decreases
4. The government implements an import quota.	Yes	Supply	Left	Increases	Decreases
5. The price of hotdogs rise in the United States.	No	—	—	—	—
6. Workers gain better education levels.	Yes	Supply	Right	Decreases	Increases
7. Income tax in the United States begins to rise	Yes	Demand	Left	Decreases	Decreases
8. Workers go on strike.	Yes	Supply	Left	Increases	Decreases
9. The price of wrist watches in the United States decreases.	No	—	—	—	—
10. Consumers expect prices to rise next month.	Yes	Demand	Right	Increases	Increases