

Answer Sheet

“Computer Lab Assignment: How a Change in Demand or Supply Will Change the Market Equilibrium”

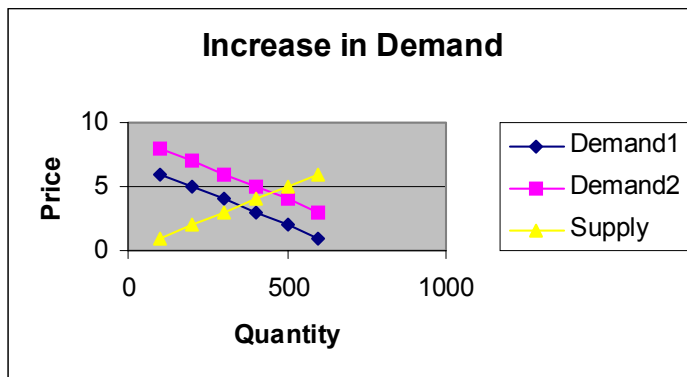
In economics, the price is the independent variable and is graphed on the vertical axis or Y-axis. The quantity demanded and the quantity supplied are dependent variables and are graphed on the horizontal or X-axis. When the price changes, there is movement along the demand and supply curves. The new price results in a change in the quantity demanded and the quantity supplied. If a determinant of demand changes, then the demand curve shifts since there has been a change in demand. If a determinant of supply changes, then the supply curve shifts since there has been a change in supply.

Part 1:

1. Use the data in the table below and the Step Sheet: Creating a Graph in Microsoft Excel to create a graph showing an increase in demand.

Quantity	Demand 1	Demand 2	Supply
100	6	8	1
200	5	7	2
300	4	6	3
400	3	5	4
500	2	4	5
600	1	3	6

2. Use the Step Sheet: Importing Graphs from Excel into Word Documents to place your graph in the space below.



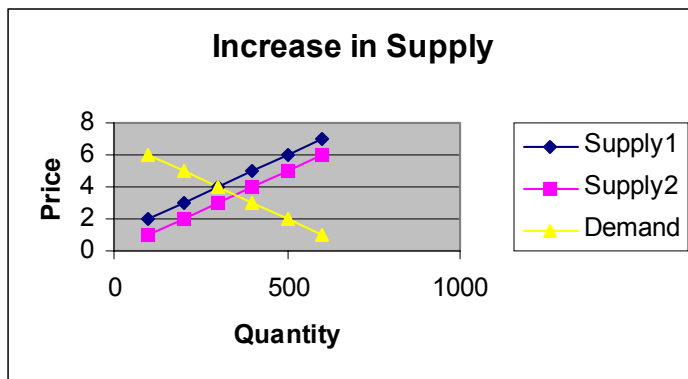
Part 2:

3. Using your graph, answer the following questions:
- What is the first equilibrium quantity demanded? 350
 - What is the first equilibrium quantity supplied? 350
 - What is the first equilibrium price? \$3.50
 - What is the new equilibrium quantity demanded? 450
 - What is the new equilibrium quantity supplied? 450
 - What is the new equilibrium price? \$4.50

4. Use the data in the table below and the Step Sheet: Creating a Graph in Microsoft Excel to create a graph showing an increase in supply.

Quantity	Supply 1	Supply 2	Demand
100	2	1	6
200	3	2	5
300	4	3	4
400	5	4	3
500	6	5	2
600	7	6	1

5. Use the Step Sheet: Importing Graphs from Excel into Word Documents to place your graph in the space below.



6. Using your graph, answer the following questions:
- What is the equilibrium quantity demanded? 300
 - What is the equilibrium quantity supplied? 300
 - What is the equilibrium price? \$4.00
 - What is the new equilibrium quantity demanded? 350
 - What is the new equilibrium quantity supplied? 350
 - What is the new equilibrium price? \$3.50

Part 2:

1. The four tables below contain data that will help you complete the rest of this assignment. Each of the tables is labeled as to whether the data reflects a change in demand or a change in supply.
2. Choose a good that you enjoy and are familiar with (something you wear, something you like to use or play with, etc)
3. Create 2 headlines that could be used in a newspaper: one that reflects an increase or decrease in demand and one that reflects an increase in supply or decrease in supply.
4. Use Microsoft Excel and the Step Sheet: Creating a Graph in Microsoft Excel to create a graph showing each of the changes.

Data: Increase in Demand

Quantity	Demand 1	Demand 2	Supply
100	6	8	1
200	5	7	2
300	4	6	3
400	3	5	4
500	2	4	5
600	1	3	6

Data: Decrease in Demand

Quantity	Demand 1	Demand 2	Supply
100	8	6	1
200	7	5	2
300	6	4	3
400	5	3	4
500	4	2	5
600	3	1	6

Data: Increase in Supply

Quantity	Supply 1	Supply 2	Demand
100	2	1	6
200	3	2	5
300	4	3	4
400	5	4	3
500	6	5	2
600	7	6	1

Data: Decrease in Supply

Quantity	Supply 1	Supply 2	Demand
100	1	2	6
200	2	3	5
300	3	4	4
400	4	5	3
500	5	6	2
600	6	7	1

5. Type in your headline:

Headline should indicate a change in demand or a change in supply.

6. Import your graph and then explain why the headline reflects the change you have shown.

Student clearly explains what the headline reflects
Graphs are correct and complete

7. Repeat Steps 5 and 6 for your other three headlines