Shifting the Supply and Demand Curve

"Binxy Cats... quite possibly the world's greatest snack food"
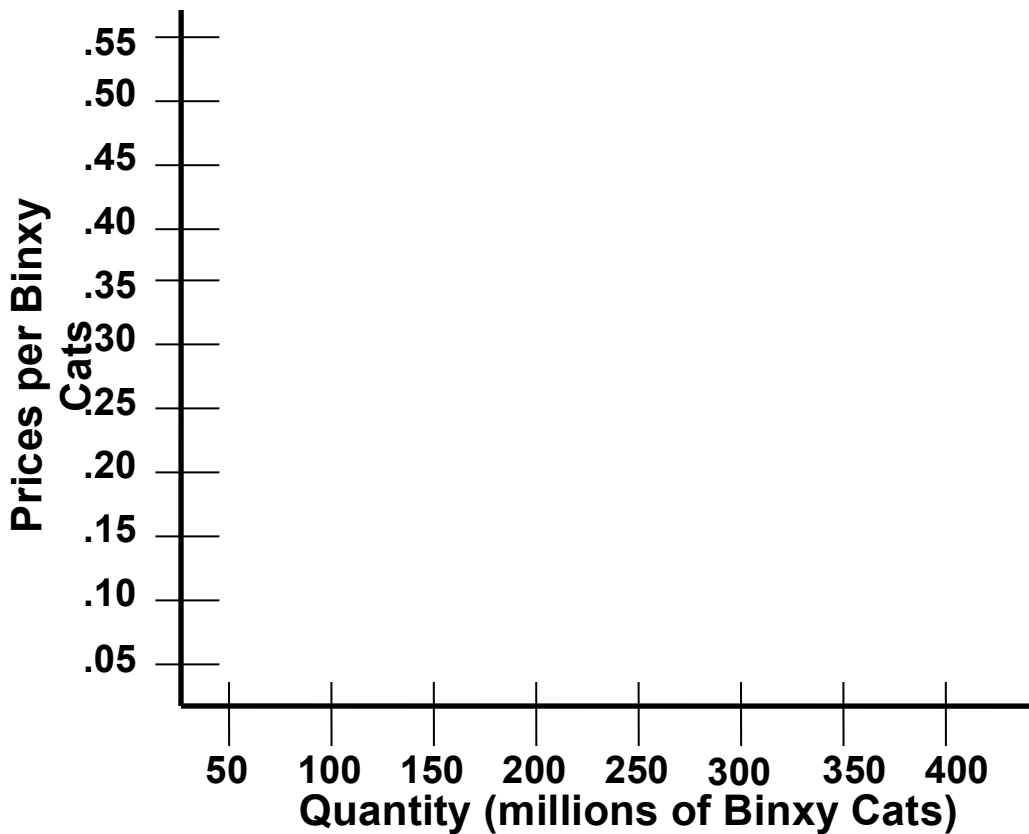
Demand schedule for Binxy Cats

Price ($ per Binxy Cats)	Quantity Demanded (Millions of Binxy Cats)
.10	350
.15	300
.20	250
.25	200
.30	150
.35	100
.40	50

I love *Binxy Cats!*

Use the information from the demand schedule above to plot a demand curve for Binxy Cats. Label the demand curve D.

The data for demand curve D indicates that at a price of .30 per Binxy Cat, buyers would be willing to buy _____ million Binxy Cat. Other things constant, if the price for Binxy Cat increased to .40 per Binxy Cat, buyers would be willing to buy _____ million Binxy Cat. Such a change would be a decrease in _____. Other things constant, if the price of Binxy Cat decreased to .20, buyers would be willing to buy _____ million Binxy Cat. Such a change would be called an increase in _____.

Now, let's suppose there is a dramatic change in Federal income-tax rates that affects the disposable income of Binxy Cat buyers. This change in income will result in a new set of data. Use the data below to plot the new demand curve for Binxy Cat on the front page of this packet. Label the new demand curve D1 and fill in the information below.

New Demand schedule for Binxy Cat
(Label these numbers on the front of this packet)

Price ($ per Binxy Cat)	Quantity Demanded (Millions of Binxy Cat)
.05	300
.10	250
.15	200
.20	150
.25	100
.30	50

Comparing the new demand curve (D1) with the original demand curve (D), we can say that the change in the demand for BInxy Cats results in a shift of the demand curve to the _____.

Such a shift indicates that at each of the possible prices shown, buyers are now willing to buy a _____quantity; and at each of the possible quantities shown, buyers are willing to offer a _____ maximum price. The cause of this demand curve shift was a _____ in tax rates that _____ the disposable income of Binxy Cat buyers.

Now, let's suppose that there is a dramatic change in people's tastes and preference for Binxy Cats. This change will result in a new set of data. Use the data below to plot the new demand curve for Binxy Cats on the front of this packet. Label the new demand curve D2 and fill in the information below.

New Demand schedule for Greebes
(Label these numbers on the front of this packet)

Price ($ per Binxy Cats)	Quantity Demanded (Millions of Binxy Cats)
.20	350
.25	300
.30	250
.35	200
.40	150
.45	100
.50	50

Comparing the new demand curve (D2) with the original demand curve (D), we can say that the change in the demand for BInxy Cats results in a shift of the demand curve to the _____.

Such a shift indicates that at each of the possible prices shown, buyers are now willing to buy a _____ quantity; and at each of the possible quantities shown, buyers are willing to offer a _____.
maximum price. The cause of this shift in the demand curve was a change in people's tastes and preference for Binxy Cats.

Graphing "shifters" in the demand curve for Binxy Cats.

Next, use the following newspaper headlines to show the direction that the demand curve for Binxy Cats would shift if the following headlines about beef, a main ingredient used in Binxy Cats, were published. Label each new demand curve (D1).

1. "Price of BInxy Cats to rise next month   2. "Price of pork hits new record low"
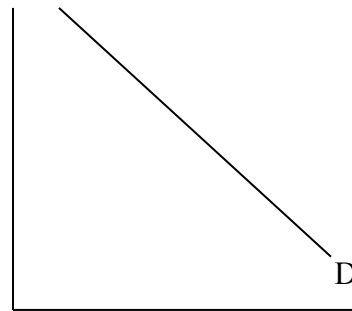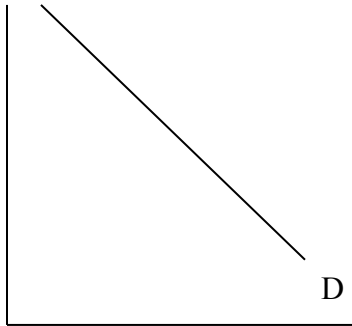
Law of Supply:
-As prices rise _____ or P ↑ S ↑

-As prices fall _____ or P ↓ S ↓

Video: What happens to prices during shortages? What is the best way to allocate scarce resources during natural disasters?
Analyze the following quote:

"Prices send signals to suppliers"

Elasticity of demand-

Add the following supply information to graph on page one
Supply Curves and Shifts in Supply

Supply schedule for Binxy Cats (label these numbers on the front of this packet)

Price (\$ per Binxy Cats)	Quantity Supplied (Millions of Binxy Cats)
.15	100
.20	150
.25	200
.30	250
.35	300

Use the information from the supply schedule above to plot a supply curve for Binxy Cats on the front of this packet. Label the demand curve S.

Now let's suppose there has been a dramatic increase in the price of beef, a main ingredient used in Binxy Cats. This rise in the cost of production will result in a new supply curve. Use the information below to plot a new supply curve. Label the new supply curve S1.

New Supply schedule for Binxy Cats
(Label these numbers on the front of this packet)

Price (\$ per Binxy Cats)	Quantity Supplied (Millions of Binxy Cats)
.20	50
.25	100
.30	150
.35	200
.40	**250**

Now let's suppose there has been a dramatic breakthrough in the production of Binxy Cats. A new Robot has been developed which will speed up production and cut production costs (Binxy Cat will lay-off over 30 workers per robot). The lowering of production costs will result in a new supply curve. Use the information below to plot a new supply curve. Label the new supply curve S2.

New Supply schedule for Binxy Cats..
(Label these numbers on the front of this packet)

Price (\$ per Binxy Cats)	Quantity Supplied (Millions of Binxy Cats)
.10	150
.15	200
.20	250
.25	300
.30	350

Graphing "shifters in the supply curve for Binxy Cats.

Next, use the following newspaper headlines to show the direction that the supply curve for Binxy Cats would shift if the following headlines were published. Label each new supply curve (S1)

1. "Price of beef, a main ingredient used in Binxy Cats, rises 15%"

2. "Congress removes the 20% snack tax placed on Binxy Cats"