

Demand Practice Questions

Answer these questions on your own paper. For each, draw the graph, label it correctly, then underneath the graph, write the shifter & the change in demand.

1. South Africa changes its policy and allows Nike to sell its products in their country. What happens to the demand for Nike Shoes?
2. The price of milk goes up, what happens to the demand for Frosted Flakes?
3. A new class of freshmen move into the dorms at UCSB. Most of them do not have jobs while going to college. What happens to the demand for second hand furniture?
4. The price of PowerAde goes up, what happens to the demand for Gatorade?
5. The price of nectarines goes down, what happens to the demand for peaches (a substitute for nectarines)?
6. Oprah, a respected and trusted celebrity, includes the Blackberry in the list of products promoted during her annual "Top Ten Favorite Things" episode. What happens to the demand for Blackberries?
7. The cost of romaine lettuce goes up, what happens to the demand for iceberg lettuce?
8. A class of engineering majors graduate from UCLA. 97% of them are offered high paying jobs. What happens to the demand for wireless bluetooth earbuds?
9. Frontline News reports that the Nike Corporation's factory in India is using child labor and slave labor in the production lines. What happens to the demand for Nike shoes?
10. An automobile factory in Ohio closes, leaving 5,000 former employees out of work. What happens to the demand for Starbucks coffee?
11. A race track is built next to a Mexican food restaurant, what happens to the demand for Mexican food?
12. An ad campaign that shows the harmful effects of using grocery store plastic bags, what happens to the demand for the cloth grocery bags which are reusable?
13. The price of peanut butter increases, what happens to the demand for grape jelly?
14. The price of movie tickets increases, what happens to the demand for movie rentals?
15. A person believes their 95 year old grandmother is going to die soon and they will receive a large inheritance, what happens to the demand for iphones?
16. Consumer Reports publishes an article that predicts the price of snowboards will decrease significantly next year. What happens to the demand for snowboards?
17. A company reduces the hours of all its workers due to a slow economy, what happens to the demand for thrift store clothing?
18. The price of shampoo decreases, what happens to the demand for conditioner?
19. The price of hotdogs decreases, what happens to the demand for hamburgers?
20. There is an ice cream store located next to an elementary school. If the school closes due to low enrollment, what happens to the demand for ice cream?
21. A famous rap artist starts wearing a large peace medallion during every public performance, what happens to the demand for peace medallions?

Grading: 3pts = All answered| 2pts =12-20 answered| 1pt = 1-11 answered| 0pts if 0 answered|

2016