

Shifts in Supply and Demand

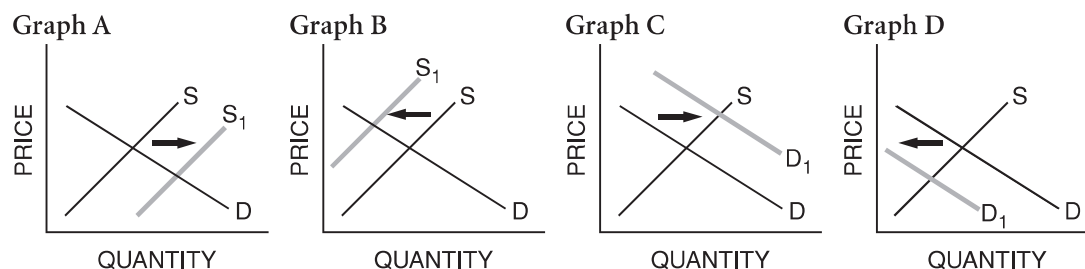
Part A: The Market for Jelly Beans

Fill in the blanks with the letter of the graph that illustrates each situation. You may use a graph more than once.



Figure 1-9.1

The Supply and Demand for Jelly Beans



1. The price of sugar, a key ingredient in producing jelly beans, increases. _____
2. The price of bubble gum, a close substitute for jelly beans, increases. _____
3. A machine is invented that makes jelly beans at a lower cost. _____
4. The government places a tax on foreign jelly beans, which have a considerable share of the market. _____
5. The price of soda, a complementary good for jelly beans, increases. _____
6. Widespread prosperity allows people to buy more jelly beans. _____

Part B: Apples, Pears, and Pies

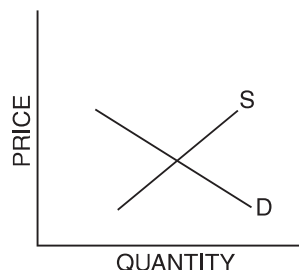
Connecticut ships large amounts of apples to all parts of the United States by rail. Circle the words that show the effects on price and quantity for each situation, and complete the graphs below, showing how a hurricane that destroys apples before they are picked in Connecticut might affect the price and quantity of each commodity. Then provide your reasoning.

7. Apples in Boston

Price: *Rises / Unchanged / Falls*

Quantity: *Rises / Unchanged / Falls*

Reason:

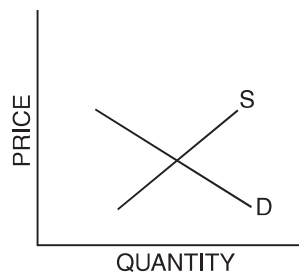


8. Land devoted to apple orchards in the state of Washington

Price: *Rises / Unchanged / Falls*

Quantity: *Rises / Unchanged / Falls*

Reason:

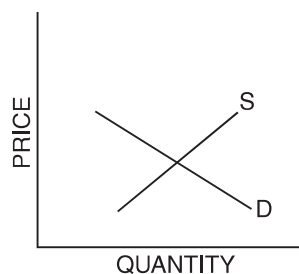


9. Apples grown in the state of Washington

Price: *Rises / Unchanged / Falls*

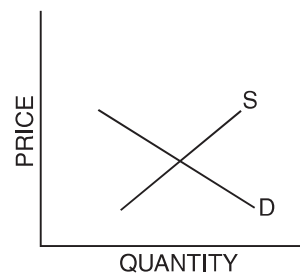
Quantity: *Rises / Unchanged / Falls*

Reason:



10. **Pears**Price: *Rises / Unchanged / Falls*Quantity: *Rises / Unchanged / Falls*

Reason:

11. **Apple pies**Price: *Rises / Unchanged / Falls*Quantity: *Rises / Unchanged / Falls*

Reason:

