

Demand Curves shifting and moving

Directions: For each question, determine a) whether the effect results in a change in demand or a change in quantity demanded, b) what economic term explains this change, c) and show the change to the graph. Ask yourself if these scenarios relate to price or not. If price is the largest determining factor, then a change in Q_D will occur. If not, then only demand may be affected.

Change in Quantity Demanded

(Moves along the curve)

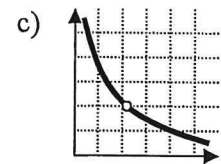
- Income Effect
- Substitution Effect

Change in Demand (Shifts the curve)

- Consumer Income
- Consumer Tastes
- Substitutes
- Complements
- Change in Expectations
- Number of Consumers

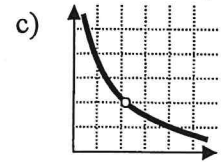
1. The prices of DVDs drop from \$20 per DVD to \$15 so consumers are able to purchase more DVDs. Show the change to the demand curve for DVDs.

a) _____
b) _____



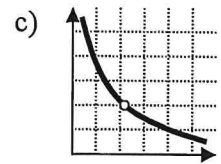
2. Knott's Berry Farm has raised the price of their admission from \$47 to \$57 per passport. Show the effect on the demand curve for the increasing prices at Knott's.

a) _____
b) _____



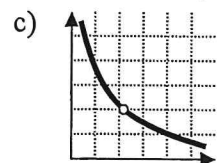
3. How might this affect the ticket sales at another amusement park, such as Magic Mountain?

a) _____
b) _____



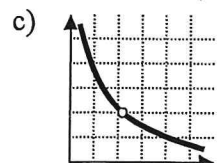
4. Disneyland has reintroduced their Southern California resident discount on all tickets. How might this affect their ticket sales?

a) _____
b) _____



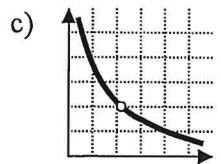
5. Angels baseball hats have been a popular item all season long. Once they reached the playoffs, new fans who previously did not own Angels souvenirs have purchased hats. Show the effect on the demand curve for Angels hats.

a) _____
b) _____



6. Toyota has offered a \$1,500 rebate on all trucks at their dealerships. This makes each Toyota truck cheaper than a comparable truck sold by Ford. What is the effect on the demand curve for Toyota dealers?

a) _____
b) _____



7. People are eagerly awaiting the production of a larger digital video recorder (DVR) for televisions. The new recorder will not be available for another year, but sales on current recorders have slowed. What is the effect on the demand curve for current DVRs?

a) _____
b) _____

