

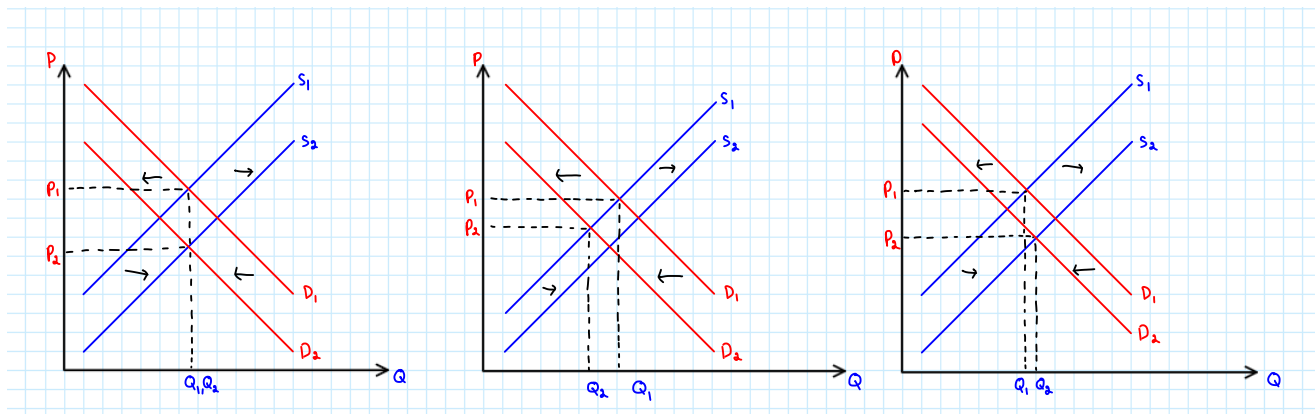
**CASE 3 Decrease in Demand & Increase in Supply**Consider Market for computer

EVENT 1 (On Demand Side)

people use I-pad instead of computer

EVENT 2 (On Supply Side)

Cost saving technology of computer become available to publisher



Quantity demand decrease at same amount of quantity supply increase

Quantity demand decrease more than quantity supply increase

Quantity supply increase more than quantity demand decrease

**Full Explanation**

On demand side: When people use I-pad instead of computer the needed for computer decrease. So demand curve will shift to the left from  $D_1$  to  $D_2$ , imply that quantity demand for I-pad are decrease at any observable price level.

On supply side: When cost saving technology of computer become available to publisher so supply curve for airpod will shift to the right from  $S_1$  to  $S_2$ , imply that quantity supply has increase at any observable price.

In case 1 quantity demand decrease at same amount of quantity supply increase  
quantity remain the same but price decrease

In case 2 quantity demand decrease more than quantity supply increase  
quantity and price decrease

In case 3 quantity supply decrease more than quantity demand increase  
quantity increase but price decrease

**CASE 4 Increase in Demand & Decrease in Supply**

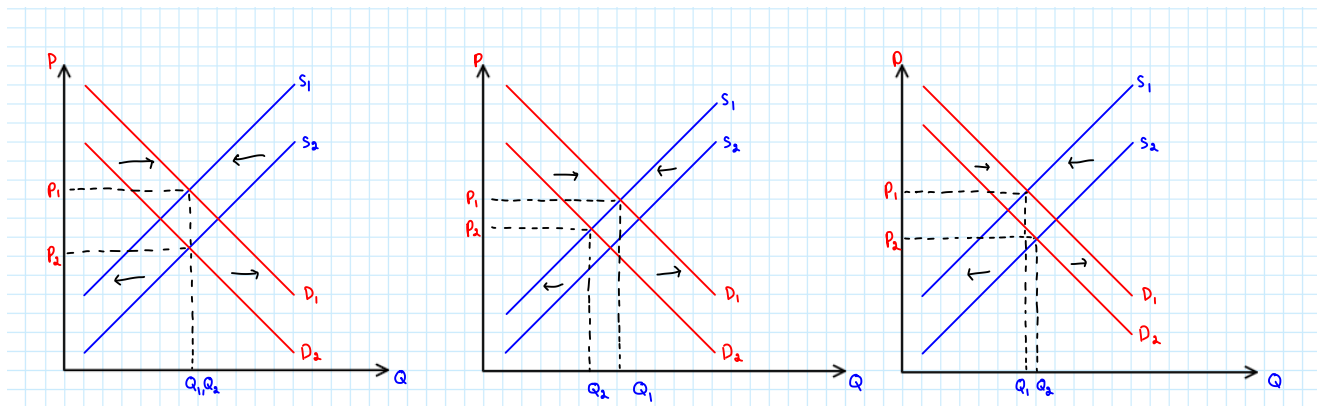
Consider Market for Seafood

EVENT 1 (On Demand Side)

People want to eat more seafood

EVENT 2 (On Supply Side)

fisher man collect less fish this year



Quantity demand increase at same amount of quantity supply decrease  
Full Explanation

quantity demand increase more than quantity supply decrease

quantity supply decrease more than quantity demand increase

On demand side: People want to eat more seafood the needed for fish increase. So demand curve will shift to the Right from  $D_1$  to  $D_2$ , imply that Quantity demand for fish are increase at an observable price level.

On supply side: When fisher man keep less fish this year so supply curve for fish will shift to the left from  $S_1$  to  $S_2$ , Imply that quantity supply has decrease at any observable price.

In case 1 quantity demand decrease at same amount of quantity supply increase  
quantity remain the same but price increase

In case 2 quantity demand decrease more than quantity supply increase  
quantity and price increase

In case 3 quantity supply decrease more than quantity demand increase  
quantity increase but price increase