

CASE 1 Decrease in Demand & Decrease in Supply

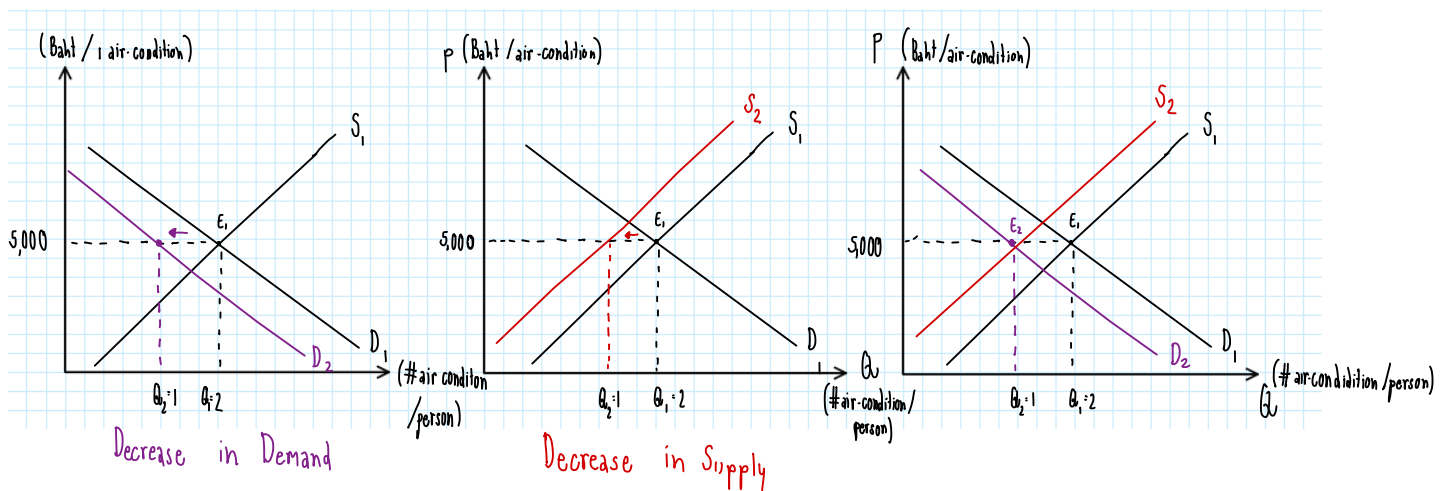
Consider Market for air-condition

EVENT 1 (On Demand Side)

Due to the decreases in weather : people tend to buy less the air-condition

EVENT 2 (On Supply Side)

Higher cost of factor of production in Air condition



Full Explanation

Decrease in Demand. The demand curve will shift to the left from D_1 to D_2 meaning that buyers tend to buy the air-condition less at any given price due to the decreasing in weather

Decrease in Supply : The supply curve will shift to the left from S_1 to S_2 , imply that seller are willing to sell less the air-condition at any given price because of the higher cost of factor of production in Air-condition

At the new air-condition market equilibrium

at the old equilibrium market E_1 , the equilibrium price equaled to 5,000 baht/aircondition and the equilibrium quantity equaled to 2 amount of aircondition/person. Afterward, the demand and the supply were decreased, hence the new equilibrium was occurred at E_2 , the equilibrium price equal to 5,000 baht/aircondition and the equilibrium quantity equal to 1 # air-condition/person

CASE 2 Increase in Demand & Increase in Supply

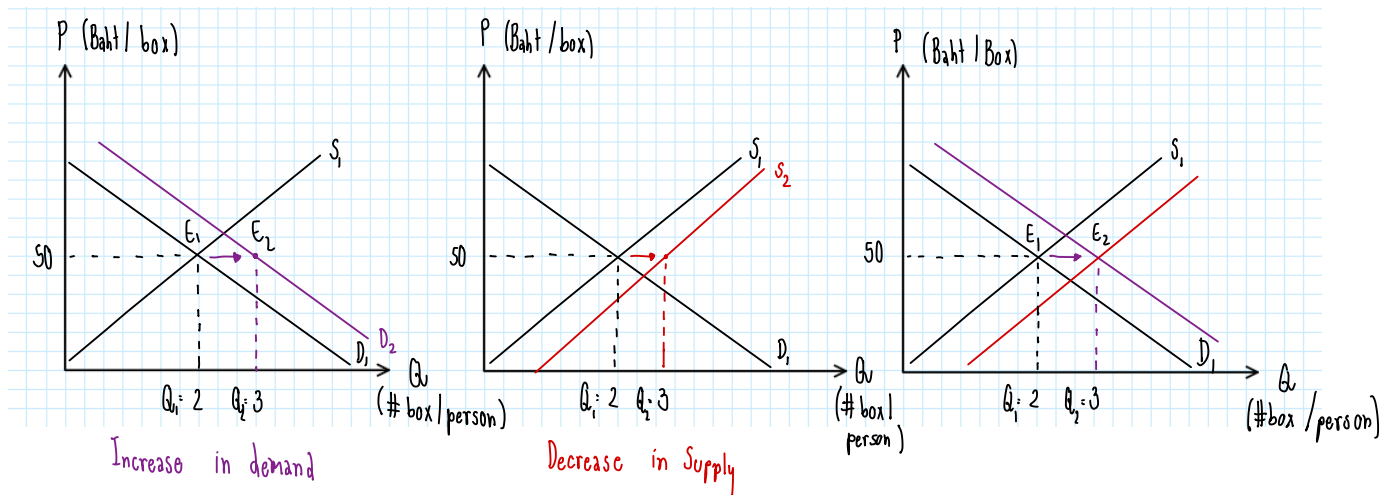
Consider Market for healthy food

EVENT 1 (On Demand Side)

Change in buyer's taste . people have an awareness about their health.

EVENT 2 (On Supply Side)

More advanced of technology to produce the healthy food



Full Explanation!

Increase in demand : when people realized about the advantage of the healthy food , so the demand was increased to right from D_1 to D_2 meaning that people tend to buy more of healthy food at the observable price

Increase in Supply : The supply curve will shift to the right from S_1 to S_2 . To imply that the supply was decreased because the technology were more advanced to produce the healthy food , hence the sell are willing to sell more at given price

At the new healthy food equilibrium market : At the old equilibrium market , E_1 , the equilibrium price equaled to 50 Baht/box and the equilibrium quantity equaled to 2 #box/person . Afterward , the demand and supply were increased therefore the new equilibrium market was occurred at E_2 , the equilibrium price are 50 Baht/box and the equilibrium quantity is 3 #box/person.

CASE 3 Decrease in Demand & Increase in Supply

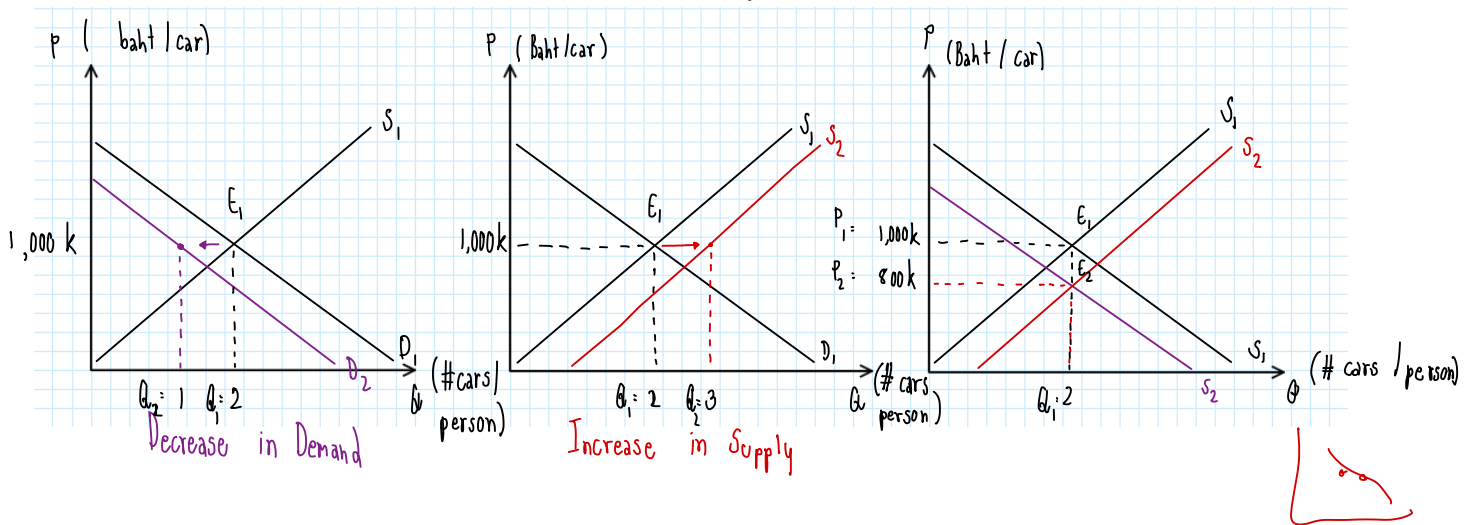
Consider Market for Car

EVENT 1 (On Demand Side)

- people are easily access to transportation

EVENT 2 (On Supply Side)

- More advanced in technology of producing the car



Full Explanation

Decrease in Demand : when the transportation are easy to access, people are willing to buy less car so the demand will shift to left from D_1 to D_2 , meaning that the demand are decreased at any observable price

Increase in Supply : the supply will shift to the right from S_1 to S_2 . To imply that the supply was increased, the seller tend to buy more the car due to the more advanced in technology at any given price

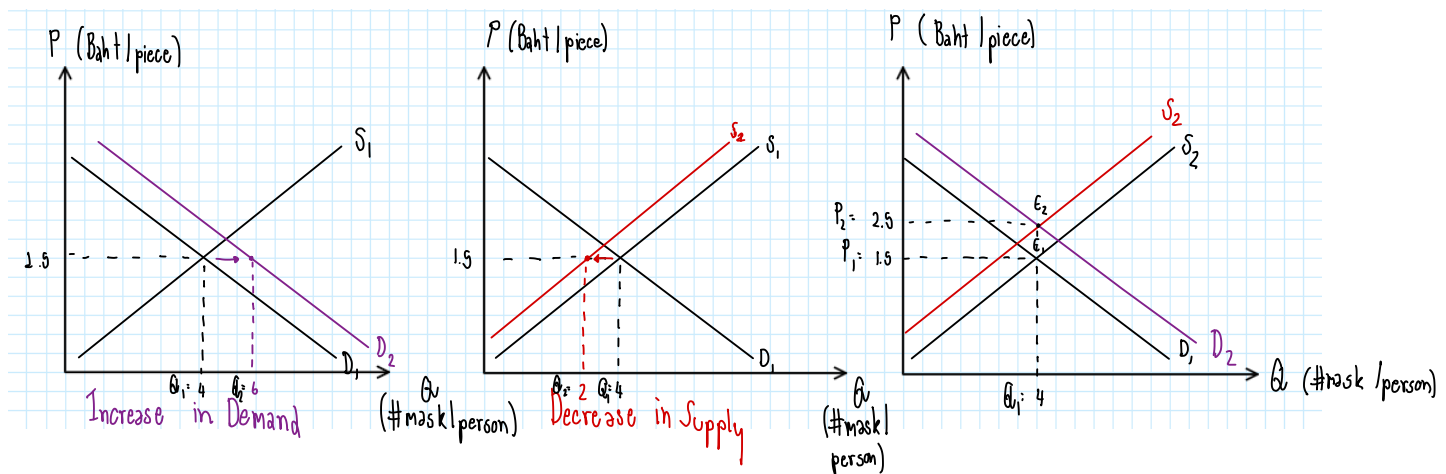
At the new equilibrium. At the old equilibrium car market E_1 , the equilibrium price equaled to 1,000,000 baht/car and the equilibrium quantity equaled to 2 #cars/person. Afterward, the demand was decreased, and the supply was increased. The new equilibrium was moved to E_2 , the new equilibrium price was decreased to 800,000 baht/car and the equilibrium quantity equaled to 2 #cars/person.

CASE 4 Increase in Demand & Decrease in SupplyConsider Market for Mask**EVENT 1 (On Demand Side)**

because the p.m 2.5, people are realized wearing a mask

EVENT 2 (On Supply Side)

Seller anticipate that the price will rise up

**Full Explanation**

Increase in Demand: due to the p.m 2.5 the demand curve will shift to the right from D_1 to D_2 which means that the demand was increased, people are willing to buy more mask at the given price

Decrease in Supply: the seller anticipate that the price's mask will rise up next week so they collect all the the mask in the factory so the supply will shift to the the left from D_1 to D_2 . imply that the supply was decreased at any observable price level.

At the new equilibrium mask market: At the old equilibrium mask market E_1 , the equilibrium price equaled to 1.5 baht/piece and the equilibrium quantity to 4 #mask/person. Afterwards, the demand was increased, the supply was increased so the new equilibrium was happened. the ^{at E_2} ^{new} equilibrium price was increased to 2.5 baht/piece and the equilibrium quantity remain the same at 4 #mask/person.