

we are going to set:

- S linear for original supply
- D linear for original demand
- E linear for original Equilibrium

③

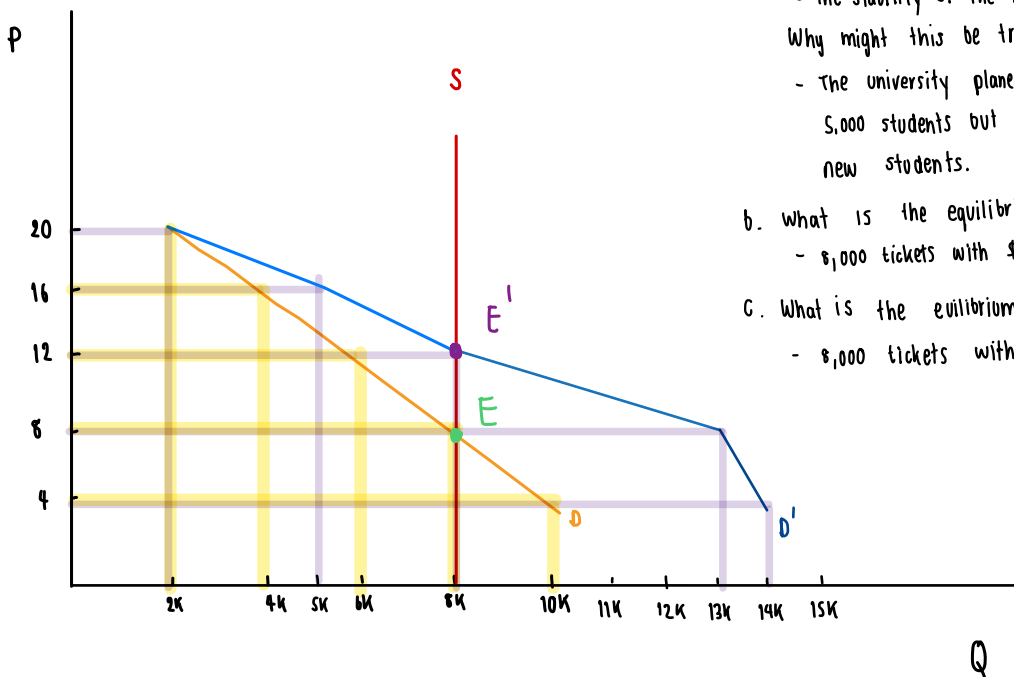
b. A strike by steelworkers raises steel prices

steel is one of the most important composition for the production of minivan. Due to that, rising steel prices did affect "supply" a lot. It means that with the same amount of firm's money the firm is able to buy less of steel for making minivan, decreasing of supply. The firm is also willing to increase the minivan's price to make money cover the cost. In the result showing on the graph, we could see the shift from original supply "S" to new supply (due to rising steel prices) "S'": X-axis (demand) is shifted to the left, it shows the decreasing of demand, while Y-axis is rising up due to the increasing of prices. It also affect the equilibrium point, from point E (Q_0, P_0) to point E' (Q_1, P_1).

e. A stock market crash lowers people's wealth.

The lowers people's wealth directly impact to their "want and able to buy" which is known as "demand." This situation cause a decreasing of demand. It cause a shift of demand from D to D': both axis which refer to quantity (X axis) and prices (Y axis) are dropped down to from the original point. This change affect equilibrium prices, it's moved from E (Q_0, P_0) to E'' (Q_2, P_2)

⑪



a. what is unusual about this supply curve?

- The stability of the number of football tickets (8,000 tickets).

Why might this be true?

- The university planned to increase total enrollment student by 5,000 students but why they didn't prepare more seat for these new students.

b. What is the equilibrium price and quantity of price?

- 8,000 tickets with \$8 per ticket.

c. What is the equilibrium price and quantity after adding new students?

- 8,000 tickets with \$12 per ticket.