

3. Consider the market for minivans. For each of the events listed here, identify which of the determinants of demand or supply are affected. Also indicate whether demand or supply increases or decreases. Then draw a diagram to show the effect on the price and quantity of minivans.

~~a. People decide to have more children.~~

b. A strike by steelworkers raises steel prices. *၎ာအိတ်အိတ်က ဝယ်ယူမှု / ဝယ်ယူမှုများ*

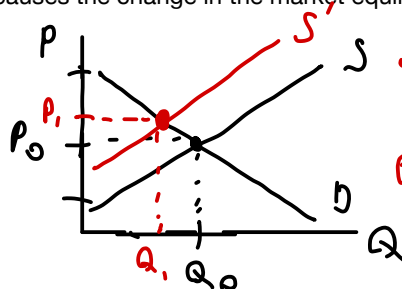
~~c. Engineers develop new automated machinery for the production of minivans.~~

~~d. The price of sports utility vehicles rises.~~

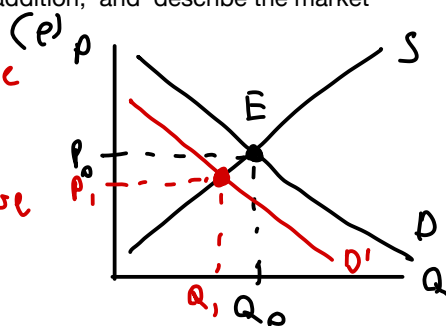
e. A stock market crash lowers people's wealth. *၎ာအိတ်အိတ်က ဝယ်ယူမှု*

#1 Answer only part (b) and (e). Follow the instruction of the question and, in addition, describe the market mechanism that causes the change in the market equilibrium.

(b)



*supply decrease
price increase
Quantity decrease*

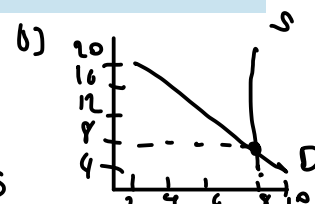
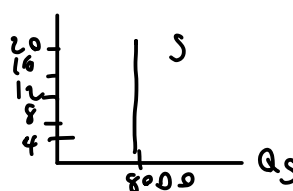
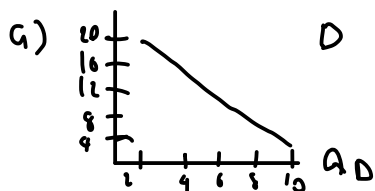


11. Suppose that the price of basketball tickets at your college is determined by market forces. Currently, the demand and supply schedules are as follows:

Price	Quantity Demanded	Quantity Supplied
\$4	10,000 tickets	8,000 tickets
8	8,000	8,000
12	6,000	8,000
16	4,000	8,000
20	2,000	8,000

*Demand decrease
price decrease
Quantity decrease*

- Draw the demand and supply curves. What is unusual about this supply curve? Why might this be true?
- What are the equilibrium price and quantity of tickets?
- Your college plans to increase total enrollment next year by 5,000 students. The additional students will have the following demand schedule:



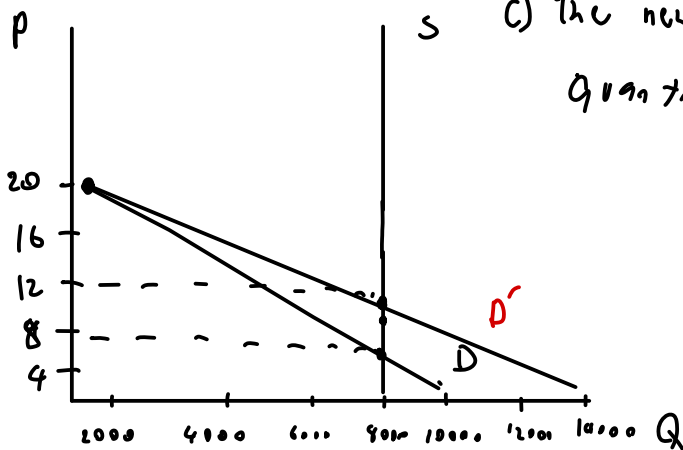
Price	Quantity Demanded
\$4	4,000 tickets
8	3,000
12	2,000
16	1,000
20	0

Now add the old demand schedule and the demand schedule for the new students to calculate the new demand schedule for the entire college. What will be the new equilibrium price and quantity?

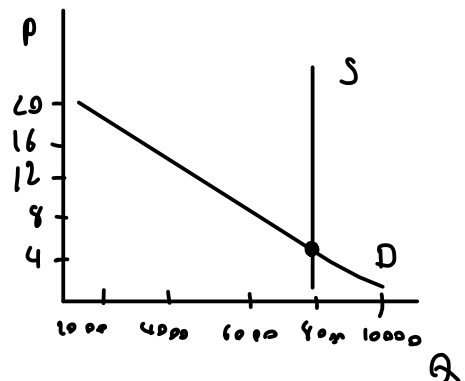
#2

b) 8 \$ and 8000 tickets

c) The new equilibrium price is 12\$ and quantity supply is 8000

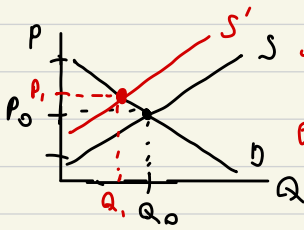


a) The supply curve is extreme cases that in every price there are only 8000 tickets sold because the tickets only have 8000 that is limited



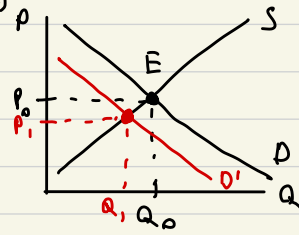
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(b)



supply decrease
price increase
Quantity decrease

(c)



Demand decrease
price decrease
Quantity decrease

b) A strike by steel workers raises steel prices. It affects the supply curve, supply shifts decrease because the price of input increase makes price increase and quantity supply decrease instead.

c) A stock market crash lowers people's wealth. It affects the demand curve, demand decreases, shifts left because the income decrease makes price decrease and quantity decrease.

