

CASE 1 Decrease in Demand & Decrease in Supply

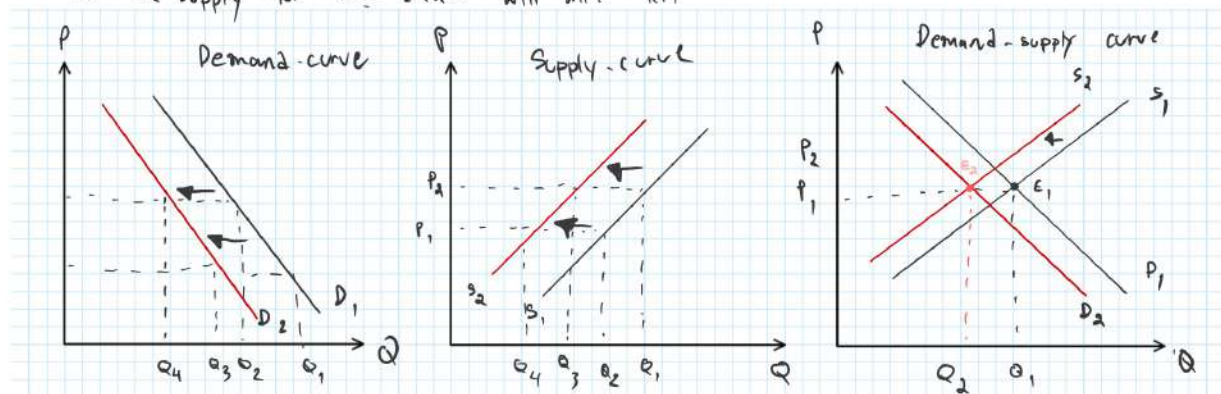
Consider Market for ICE-CREAM

EVENT 1 (On Demand Side)

At the time, It is in the winter season. So people will not want to buy an ice-cream so the demand for ice cream shift left

EVENT 2 (On Supply Side)

In next week, The season will change from winter to summer so the cost of ice-cream will rise on the next week. so the buyer will not want to sell this week and will sell more in next week so the supply for ice-cream will shift left



Full Explanation

From the demand curve, when the weather is cold, people tend to buy ice-cream less so the demand curve shift left from d_1 to d_2 and the quantity demanded is decrease at any observable price level.

From the supply curve, In the next week, cost expectation will be increase so in this week the seller will not want to sell much in this week so the supply curve shift left from s_1 to s_2 and the quantity supplied is decrease at any observable price level.

From the equilibrium point, when the demand curve shift left from D_1 to D_2 and supply curve shift from S_1 to S_2 the equilibrium point change from E_1 to E_2 where the price the same and the quantity decrease



CASE 2 Increase in Demand & Increase in Supply

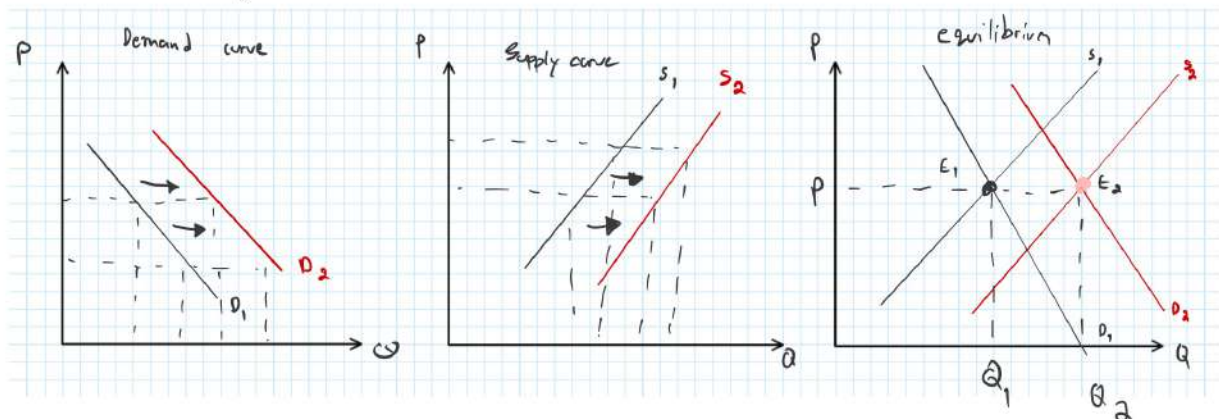
Consider Market for Bubble milk tea

EVENT 1 (On Demand Side)

Bubble tea becomes popular and people tend to drink more bubble milk tea.

EVENT 2 (On Supply Side)

The milk price is cheaper and milk is the main ingredient for making bubble milk tea.



Full Explanation

From the demand curve, when the bubble milk tea is popular, people tend to buy more. This makes the demand curve shift to the right from D_1 to D_2 and the quantity demanded is increased at any observable price level.

From the supply curve, when the milk cost is decreased, which is the raw material of the bubble tea, the seller will want to sell more products. So the supply curve shifts from S_1 to S_2 and the quantity supplied is increased at any observable price level.

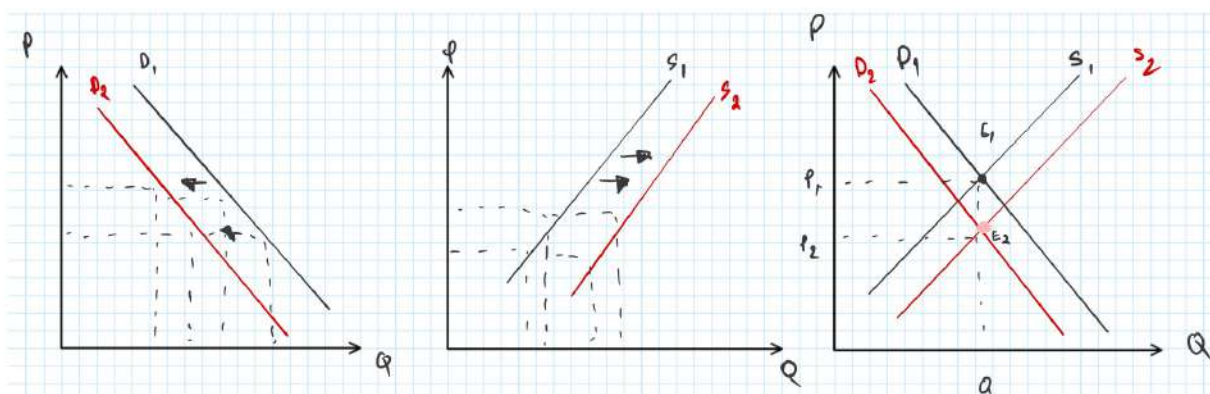
From the demand and supply curves, which both curves shift to the right, will have the new equilibrium from E_1 to E_2 which equilibrium quantity is increased but the equilibrium price remains the same.

CASE 3 Decrease in Demand & Increase in SupplyConsider Market for Fish can**EVENT 1 (On Demand Side)**

The economy is getting better and people have more income

EVENT 2 (On Supply Side)

When the technology is getting better and the machine has improved.

**Full Explanation**

From the demand curve, when the people getting richer, the fish can consumption is decreasing because the fish can is assumed to be an inferior good. So the demand curve shifts left from D_1 to D_2 and the quantity demanded has decreased at any observable price level.

From the supply curve, when the technology of the fish can production has improved and the cost of production is decrease, this make the seller want to sell more goods so the supply curve shift to the right from S_1 to S_2 this make quantity supplied increase at any observable price level.

At the demand and supply curve, when the demand curve shift to the left and supply curve shift to the right (this make an equilibrium point change from E_1 to E_2 and makes equilibrium price decrease and the equilibrium quantity still the same.

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CASE 4 Increase in Demand & Decrease in Supply

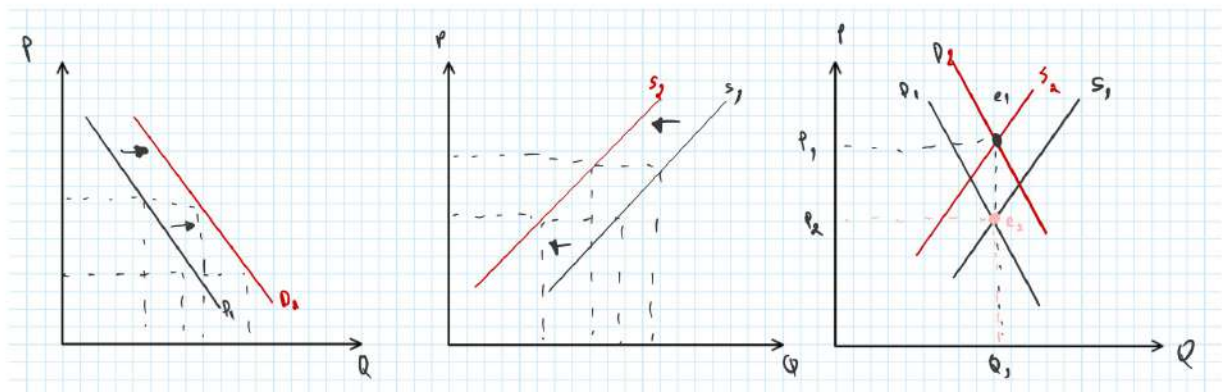
Consider Market for Coffee

EVENT 1 (On Demand Side)

The price of doughnut is decrease

EVENT 2 (On Supply Side)

Some coffee shop closed



Full Explanation

People usually eat doughnut with coffee together. When the price of doughnut is decrease people tend to buy more and also people want to buy more coffee to eat together with coffee so the the demand curve of coffee shift to the right from D_1 to D_2 and the quantity demanded increase at any observable price level.

When more coffee shop has been closed, people will have less choices to choose the coffee. This make the supply curve shift to the left from S_1 to S_2 and make quantity supplied decrease at any observable price level.

At the equilibrium point, when the demand curve shift to the right and supply curve shift to the left this change the equilibrium point from E_1 to E_2 .

implying that the equilibrium price decrease but equilibrium quantity remain the same.