**ECONOMICS** NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Analyzing Shifts in Demand

For each scenario,

1) use the graph to illustrate the change in demand with either:

a “shift” (a new D2 curve) or

a “slide” (an arrow along the curve).

2) Then provide the reason for the change in consumer demand using one of the following: Change in Price Income Preferences/Advertising

Expectations Price of Related Goods (Substitute or Compliment)

*Scenario 3*

A video game company announces it will introduce a new game console in three months. Sales of the older version of the console drop by 25 percent.

**D**

**1**

**EXPLANATION**

**EXPLANATION**

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**1**

*Scenario 2*

The government issues tax rebate checks to taxpayers, hoping they will increase spending, stimulating the economy. Sales of cars, electronics, and clothing go up.

*Scenario 1*

Weather forecasters say that a coming holiday weekend will be sunny. Stores see increased sales for sunglasses, sunblock, and beach chairs.

**EXPLANATION**

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**1**

*Scenario 7*

Sales of contact lens cleaner increase as more people wear contact lenses.

*Scenario 5*

When a coffee shop cuts the price of bagels, people want to buy more bagels.

*Scenario 4*

The Detroit Red Wings are eliminated from the playoffs. Attendance for the weekend’s Detroit Tiger games go up.

**D**

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**EXPLANATION**

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**1**

**EXPLANATION**

*Scenario 6*

A series of commercials shows people enjoying vacation cruises, and reservations for the cruise line increase.

**D**

**1**

**EXPLANATION**

**D**

**1**

**EXPLANATION**