

Name: \_\_\_\_\_ Date: \_\_\_\_\_ Period: \_\_\_\_\_

**AP Macroeconomics  
Supply & Demand Analysis**

Problem #	Scenario (What happens if...)	Graph	Supply ← or →	Demand ← or →	Equilibrium Price ↑ or ↓	Equilibrium Quantity ↑ or ↓
1	Medical researchers discover that eating Lucky Charms makes people cool?					
2	It's no longer considered fashionable to wear leg warmers?					
3	The government subsidizes the growers of watermelons?					
4	Government places an excise tax on underarm deodorant?					
5	Government reduces the driving age to 14. How would this affect the market for gasoline?					
6	Education is no longer compulsory. How would this affect the market for teachers? (labor market)					
7	McDonald's starts using highly efficient robots to make Big Macs?					
8	The Americans and British bomb German Tank factories during WWII? (tank market)					
9	Americans experienced an increase in income. How would this affect the market for USDA Prime Porterhouse Steaks?					
10	Americans experience an increase in income. How would this affect the market for powdered milk?					

Problem #	Scenario (What happens if...)	Graph	Supply ← or →	Demand ← or →	Equilibrium Price ↑ or ↓	Equilibrium Quantity ↑ or ↓
11	How would an increase in Savings affect the market for savings and loans (Loanable funds market)? <b>Note: The Price of money is expressed as an interest rate.</b>					
12	Texas A&M University discovers a new fertilizer that increases cotton crop yields?					
13	The courts determine that Microsoft constitutes a monopoly in the operating system software industry and divides the company?					
14	A new country enacts minimum wage for the first time in the unskilled labor market					
15	Cheap hydrogen fuel cell technology is perfected? How would this affect the market for gasoline?					
16	Americans develop a taste for German cars. How would this affect the market for the U.S. produced autos?					
17	Homeowners expect house prices to drop next year? Housing market...					
18	Americans love Ford again and there is a decrease in the price of steel. How does this affect the U.S. car market?					
19	Investors expect excellent returns in the stock market next year?					
20	The government sets a price cap on KW (electricity) rates throughout the U.S.					

