Reasons for Changes in Demand

Part A

Read the eight newspaper headlines in Figure 4.2, and use the table to record the impact, if any, of each event on the demand for beef. Use the first column to the right of the headline to show whether the event causes a change in demand. Use the next column to record whether the change is an increase or a decrease in demand. In the third column, decide whether the demand curve shifts left or right. Finally, write the letter for the new demand curve. Use Figure 4.1 to help you. **Always start at curve B**, and move only one curve at a time. One headline implies that the demand for beef does not change.

Figure 4.1
Beef Consumption in May

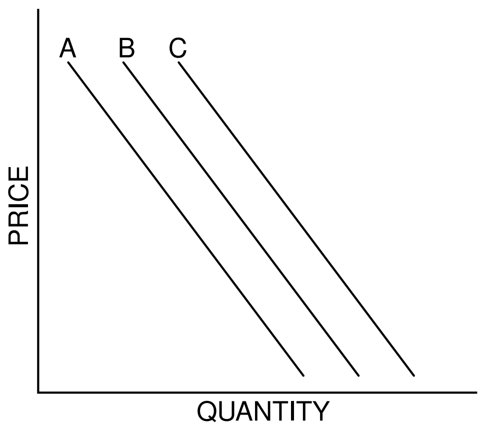

Figure 4.2

Headline	Demand Shift? (Y / N)	If Demand Shifts, Inc / Dec	Curve Shifts Left / Right	New Curve
1. Price of Beef to Rise in June				
2. Millions of Immigrants Swell U.S. Population				
3. Pork Prices Drop				
4. Surgeon General Warns That Eating Beef Is Hazardous to Health				
5. Beef Prices Fall; Consumers Buy More				
6. Real Income for U.S. Drops for Third Month				
7. Charcoal Shortage Threatens Memorial Day Cookouts				
8. Nationwide Fad: The Disco-Burger				

Based on an activity from *Master Curriculum Guide in Economics: Teaching Strategies for High School Economics Courses* (New York: National Council on Economic Education, 1985), p. 68.

Part B

Categorize each change in demand in Part A according to the reason why demand changed. A given demand curve assumes that consumer expectations, consumer tastes and preferences, the number of consumers in the market, the income of consumers, and the prices of substitutes and complements are unchanged. In the table below, place an X next to the reason that the event described in the headline caused a change in demand. One headline will have no answer because it is a change in quantity demanded.

Figure 4.3

↓ Reason Headline Number →	1	2	3	4	5	6	7	8
A change in consumer expectations								
A change in consumer tastes								
A change in the number of consumers in the market								
A change in income								
A change in the price of a substitute good								
A change in the price of a complementary good								