

Do not put your name anywhere on the assignment, other than on the back of this sheet of paper. Staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you do double-sided printing or print on the back of scrap paper, I will give you one additional point.

1) (20 points each) Illustrate the following events on the supply and demand diagram for green tea. Explain why the curve(s) moved as drawn. What happens to the price and quantity? Draw A, B, C, D, and E on separate graphs.

- A) It is discovered that green tea helps to fight cancer.
- B) The price of fertilizer increases.
- C) The government imposes a tax on tea. (Just as they did in 1774.)
- D) The price of coffee increases.
- E) The price of cinnamon increases.