

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up 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 use double-sided printing or print on the back of scrap paper, I will give you one additional point.

- 1) (20 points) Draw the supply and demand diagram for beds. Illustrate the effects of an increase in the population. Explain why the curve(s) moved as drawn. What happens to the price charged and quantity sold?
- 2) (20 points) Draw the supply and demand diagram for wooden chairs. Illustrate the effects of an increase in the price of wood. Explain why the curve(s) moved as drawn. What happens to the price charged and quantity sold?
- 3) (20 points) Draw the supply and demand diagram for computers. Illustrate the effects of an increase in the average income. Explain why the curve(s) moved as drawn. What happens to the price charged and quantity sold?
- 4) (20 points) Draw the supply and demand diagram for cars. Illustrate the effects of an increase in the pay of an assembly line worker. Explain why the curve(s) moved as drawn. What happens to the price charged and quantity sold?
- 5) (20 points) Draw the supply and demand diagram for wheat. Illustrate the effects of an increase in the price of ethanol (which comes from corn). Explain why the curve(s) moved as drawn. What happens to the price charged and quantity sold?