

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.

1) (20 points each) Illustrate the following parts on the supply and demand for corn oil. Explain why the curve(s) moved. What happens to the price and quantity? Draw A, B, C, and D on separate diagrams.

- A) It is found that corn oil is healthier to cook with than butter.
- B) The population increases.
- C) Farm workers get a pay raise.
- D) The price of frozen corn increases.

2) (20 points) Use the supply and demand for apartment housing to prove that rent controls (price ceilings) hurt consumers. Explain your logic.