

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point on the assignment.

1) (25 points each) Illustrate the following events on the supply and demand for televisions. Explain why the curve(s) moved as drawn.

- A) The number of cable channels increases.
- B) The income of society increases.
- C) The price of a computer monitor increases.

2) (25 points) Illustrate the following events on the supply and demand for bananas. The government puts a price ceiling on bananas. Explain why the curve(s) moved as drawn. If a problem is caused, then explain what the problem is and how it will be solved by the market if there is no government intervention.