

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 10 points. 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/demand diagram for blueberries. Illustrate the effects of people discovering that blueberries are considered a “super food” meaning that they have a lot of good health effects. Explain why the curve(s) moved as drawn. What happens to the price and quantity sold?

2) (20 points) Draw the supply/demand diagram for peanut butter. Illustrate the effects of an increase in the price of jelly. Explain why the curve(s) moved as drawn. What happens to the price and quantity sold?

3) (20 points) Draw the supply/demand diagram for wheat. Illustrate the effects of an increase in the price of fertilizer. Explain why the curve(s) moved as drawn. What happens to the price and quantity sold?

4A) (20 points) Draw the supply/demand diagram for rental housing in Los Angeles County. Illustrate the effects of the wildfires destroying many thousands of houses. Explain why the curve(s) moved as drawn. What happens to the price and quantity sold?

<https://www.cbsnews.com/live-updates/california-fires-winds-updates/>

4B) (20 points) In California, if a state of emergency is declared, it is illegal to raise your prices for many items, including rent, by more than 10%. That is effectively a rent ceiling. Illustrate the effects of a rent ceiling on the graph for Part A. Explain why the diagram looks as drawn. What happens to the amount of rental property available to rent?

<https://nextcity.org/urbanist-news/california-wildfire-rent-price-gouging-los-angeles-tenants-rent-control>