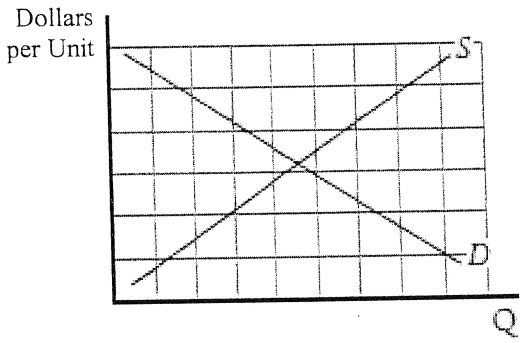
# Problem Set 2.2

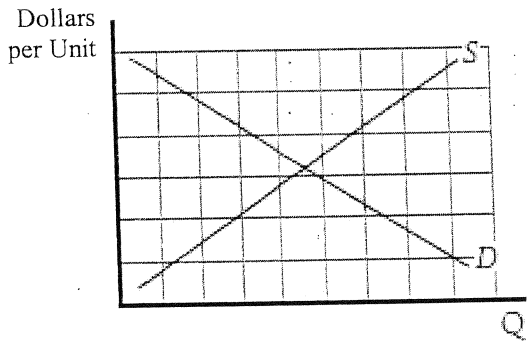
## *Shifting Demand Curves*

On the graph provided, use a dotted line to illustrate the influence on demand (if any) of the stated change.

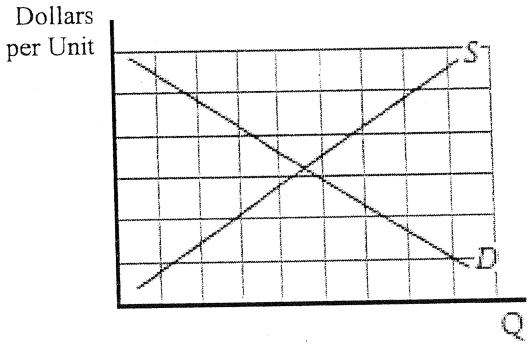
1. A new, less expensive substitute good is introduced into the market.



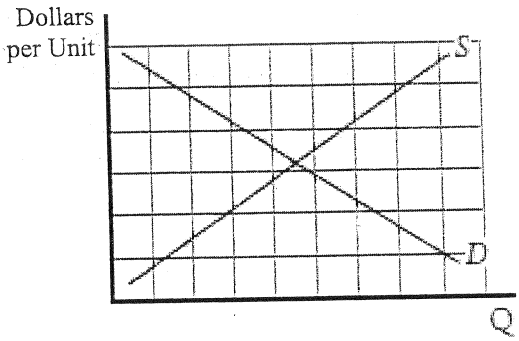

2. A law is passed that raises the age at which it is legal to consume this product.



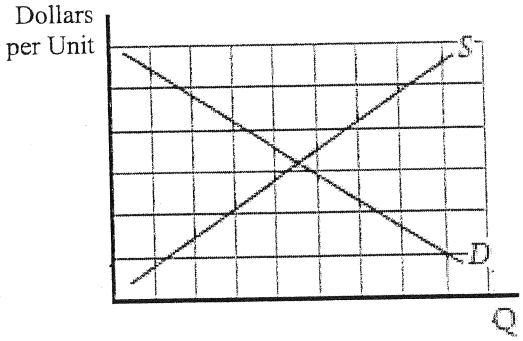

3. The price of a complementary good falls.



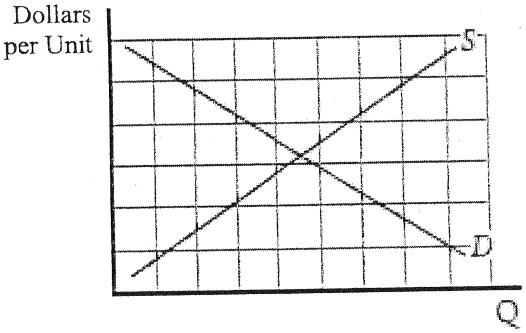
4. The government opens up its borders to completely free immigration.



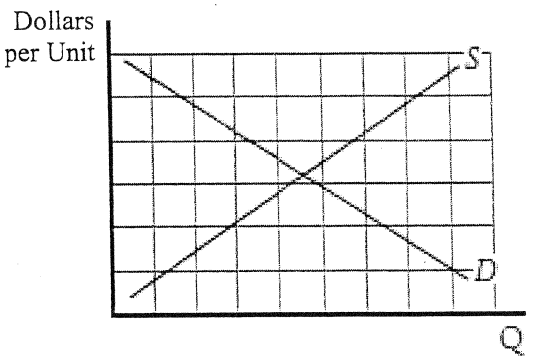

5. The good in question becomes more popular with consumers.



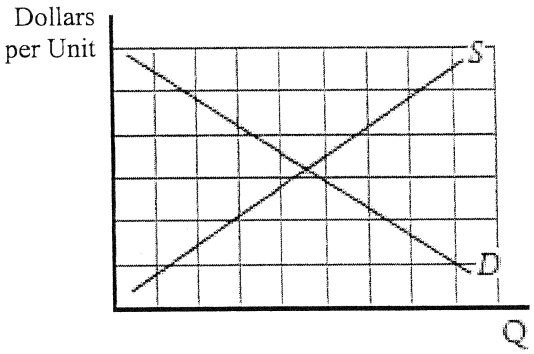

6. The cost of producing the good rises.



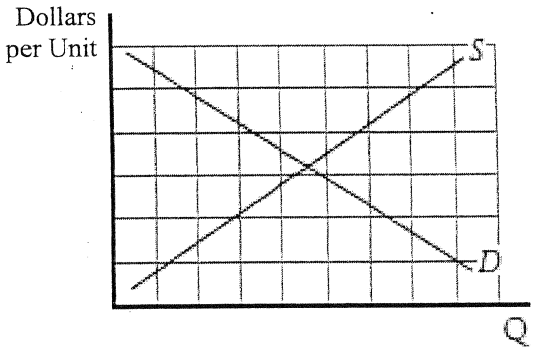
7. There is an expectation of higher future prices. (What would happen to present demand?)



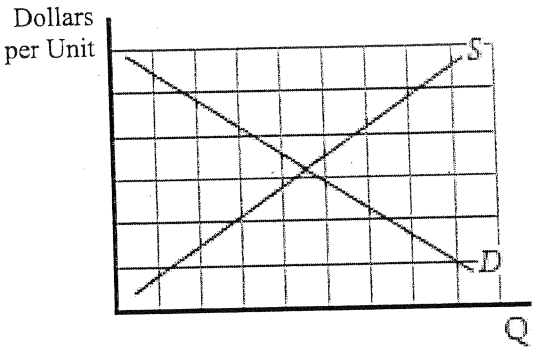

8. It is a normal good and buyers' incomes increase.



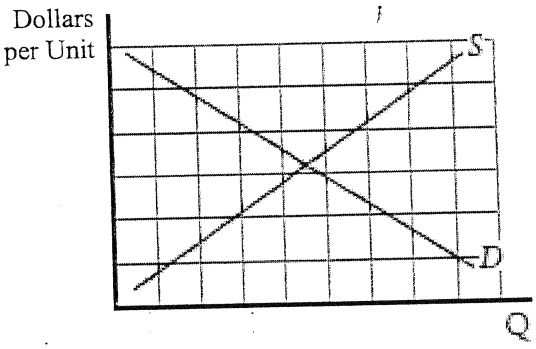

9. It is an inferior good and buyers' incomes rise.



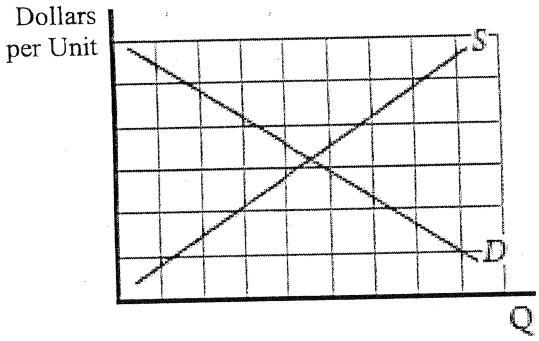
10. The price of the good rises.




11. A change in technology makes production more efficient.




12. The price of a good that is neither a substitute nor a complement good rises.



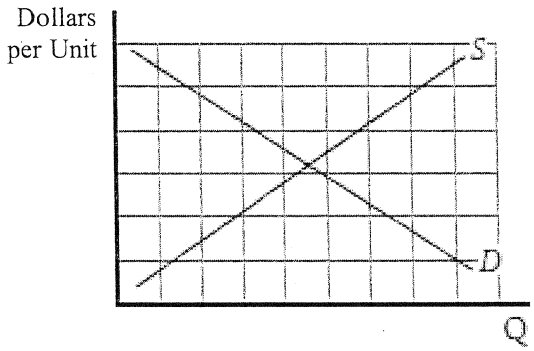

13. Create four problems like the ones above. Each should involve a change in a non-price determinant of demand that would shift the demand curve.

# Problem Set 2.3

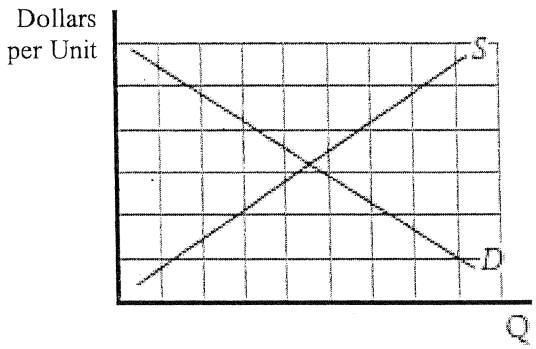
## *Shifting Supply Curves*

On the graphs provided, use a dotted line to illustrate the influence on the supply curve (if any) of the given changes.

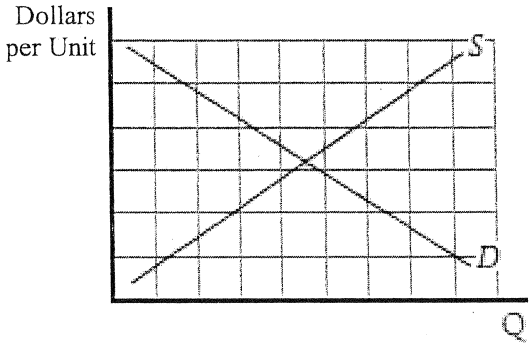
1. Advances in technology make production less expensive.



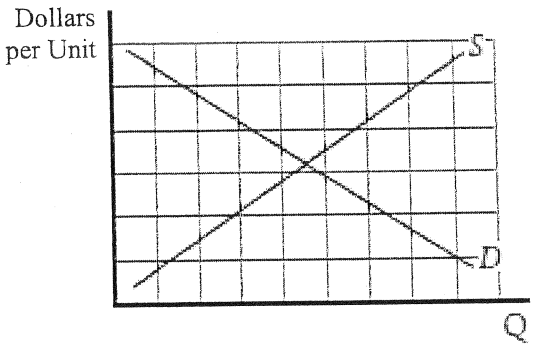

2. The resources formerly used to produce this product are banned.



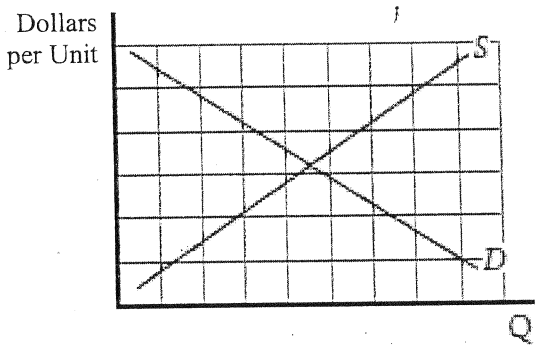

3. There is an increase in the selling price of another product that the same manufacturer can make instead of this product.



4. The selling price of this product increases.




5. The good in question falls out of favor with consumers.




6. The cost of producing this product rises.