Define the LAW OF Demand: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Peanut Butter**

**Directions:** Explain what happens to the **Demand Curve &** provide the **“Shifter”** for each scenario given.

P

$3

$2

$1 D

10 20 30 40 50 Q

1. The price of peanut butter increases from $1 to $3?
2. The number of first graders triples?
3. The gov’t announces that peanut butter cures cancer?
4. The price of jelly increases 100%?
5. The price of school lunches doubles?

**Insulin**

P

D

Q

1. The price of insulin doubles?
2. The number of people with diabetes triples?
3. The FDA approves a cotton candy substitute for insulin?

$11 **Chow Mein Noodles in the USA**

P $9

$7

$5

$1 D

1. 2 3 4 5 6 7 8 9 10 Q (in millions)
2. What happens to the **Quantity demanded (Qd) if the price goes from $7 to $1?**
3. What change to the graph would occur if 1 million immigrants came to the USA?
4. What change to the graph would occur if it is determined that chow mein noodles increase IQ levels?
5. What would change if the price of rice decreased 50%?
6. What would change if Hollywood actor/actress are advertised enjoying chow mein noodles?