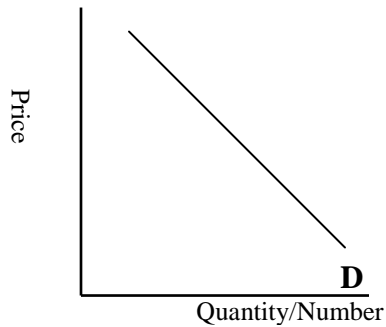


Demand Scenarios

Directions: Read each scenario below. On a separate sheet of paper draw the graph that illustrates what has happened to demand and explain that in writing. Start each scenario with the following graph and complete the sentence:



The demand for _____ will _____ due to _____; because....

- Schick premieres its new Cinquo Razor, the first and only razor with five blades. The introductory price is \$1.99. How will this affect the demand for the replacement blades?
- The Apple iPhone hits the market at an unbelievable price of \$199.99. How will this affect the demand for Verizon Razr phones?
- The New York Yankees make it to the 2009 World Series. How will this affect the demand for their merchandise?
- UAW (United Auto Workers) workers are slowly laid off from work at the American Axle plant in Tonawanda.
 - How will this affect their overall demand for inferior goods?
 - How will this affect their overall demand for normal goods?Show two separate graphs and explanations.
- Chevrolet announces that 2008 will be that last year they manufacture the Corvette. How will this affect the demand for the car today?
- Hurricane Katrina devastated the Gulf Coast region. How will this affect the demand for tourist spots in New Orleans?
- American Consumers love their soda pop! The price of soda rises to \$5.00 for a two liter. How will this affect demand? **[think carefully!]**
- A massive ice storm warning is in effect for Western New York. How will this affect the demand for power generators?
- Hyundai and Toyota introduce their new all electric car.
 - How will this affect the demand for American cars?
 - How will this affect the demand for gasoline?Show two separate graphs and explanations.
- Sam Nelson, a court-appointed attorney making \$32,000 a year, wins a big case with national publicity. He is wooed by several big law firms downtown.
 - How will this affect his demand for inferior goods?
 - How will this affect his demand for normal goods?Show two separate graphs and explanations.
- The price of Sabres' jerseys is lowered by 25%. How will this affect demand? **[think carefully!]**