

## Reasons for Changes in Demand

Read the following newspaper headlines. Each event will cause a change in the demand for **CHICKEN**. You will first identify the determinate the causes the change in demand and then decide if the event will increase, decrease, or not affect the **demand for chicken**. A list of demand determinates is found below.

- A. Change in consumer tastes/preferences
- B. Change in consumer incomes
- C. Change in the size or composition of the population
- D. Change in the price of a substitute good
- E. Change in the price of a complementary good
- F. Change in consumers' price expectations
- G. The event did not change demand

1. *Headline: Price of Chicken Rises*
  - a. Determinant that caused the change: \_\_\_\_\_
  - b. What will happen to demand? \_\_\_\_\_
  
2. *Headline: United States Loosens Immigration Restrictions*
  - a. Determinant that caused the change: \_\_\_\_\_
  - b. What will happen to demand? \_\_\_\_\_
  
3. *Headline: Beef Prices Drop*
  - a. Determinant that caused the change: \_\_\_\_\_
  - b. What will happen to demand? \_\_\_\_\_
  
4. *Headline: Surgeon General Issues a Recall on Chicken*
  - a. Determinant that caused the change: \_\_\_\_\_
  - b. What will happen to demand? \_\_\_\_\_
  
5. *Headline: The Federal Minimum Wage for Americans Increases to \$7.25*
  - a. Determinant that caused the change: \_\_\_\_\_
  - b. What will happen to demand? \_\_\_\_\_
  
6. *Headline: Nationwide Fad: The Atkins Diet*
  - a. Determinant that caused the change: \_\_\_\_\_
  - b. What will happen to demand? \_\_\_\_\_
  
7. *Headline: Chicken Prices Expected to Fall Next Month*
  - a. Determinant that caused the change: \_\_\_\_\_
  - b. What will happen to demand? \_\_\_\_\_

## Reasons for Changes in Demand Teacher Reference Guide

Read the following newspaper headlines. Each event will cause a change in the demand for **CHICKEN**. You will first identify the determinate the causes the change in demand and then decide if the event will increase, decrease, or not affect the **demand for chicken**. A list of demand determinates is found below.

- A. Change in consumer tastes/preferences
- B. Change in consumer incomes
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- D. Change in the price of a substitute good
- E. Change in the price of a complementary good
- F. Change in consumers' price expectations
- G. The event did not change demand

1. Headline: *Price of Chicken Rises*
  - a. Determinant that caused the change: **G**
  - b. What will happen to demand? *No change in demand, only in quantity demanded*
2. Headline: *United States Loosens Immigration Restrictions*
3. Determinant that caused the change: **C**
  - A. What will happen to demand? *It will increase (shift rightward)*
4. Headline: *Beef Prices Drop*
  - a. Determinant that caused the change: **D**
  - b. What will happen to demand? *It will decrease (shift leftward)*
5. Headline: *Surgeon General Issues a Recall on Chicken*
  - a. Determinant that caused the change: **A**
  - b. What will happen to demand? *It will decrease (shift leftward)*
6. Headline: *The Federal Minimum Wage for Americans Increases to \$7.25*
  - a. Determinant that caused the change: **B**
  - b. What will happen to demand? *It will increase (shift rightward)*
7. Headline: *Nationwide Fad: The Atkins Diet*
  - A. Determinant that caused the change: **A**
  - B. What will happen to demand? *It will increase (shift rightward)*
8. Headline: *Chicken Prices Expected to Fall Next Month*
  - a. Determinant that caused the change: **F**
  - b. What will happen to demand? *It will decrease (shift leftward)*

Source: Adapted from Morton, John S., and Rae Jean B. Goodman. *Advanced Placement Economics Teacher Resource Manual*. Upper Saddle River, NJ: National Council on Economic Education, 2005.