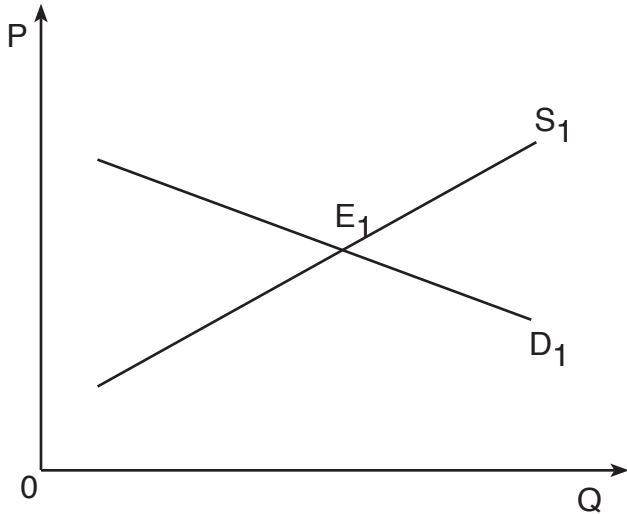


Name: _____ Date: _____ AP - Honors

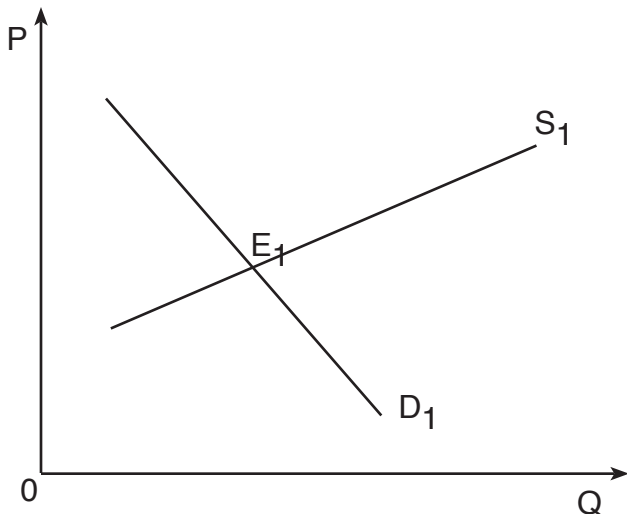
Graphically show what affect the headlines will have on the Supply and Demand curves. Explain why this occurs. Label the new curve(s), new equilibrium, new price and quantities. Explain what has happened to the Price and Quantity (Increase, Decrease, Remains the Same).



1. This graph illustrates the supply and demand for eggs.

Today's Headline:

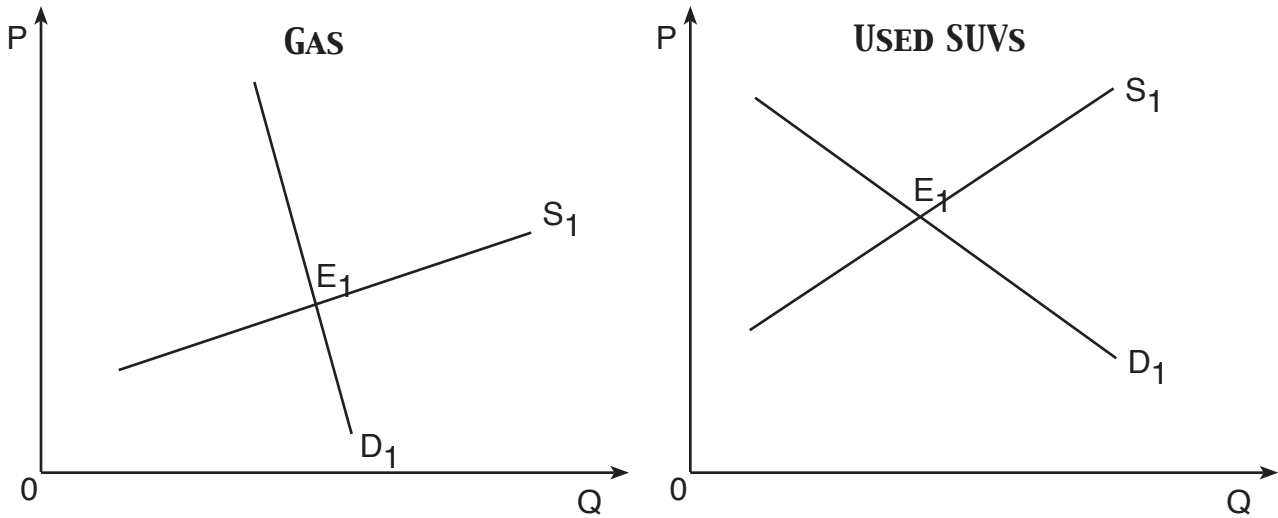
“EGGS FOUND TO CONTRIBUTE TO HIGH CHOLESTEROL LEVELS AND RAISE THE RISK OF HEART PROBLEMS”



2. This graph illustrates the supply and demand for orange juice.

Today's Headlines:

**“COLD SPELL HITS FLORIDA”
&
“ORANGE JUICE PREVENTS CANCER”**



3. These graphs illustrate the supply and demand for gas and used SUVs in the USA.

Today's Headlines:
**"CIVIL WAR BREAKS OUT IN SAUDI ARABIA -
 OILFIELDS BECOME BATTLEFIELDS"**

Answer the follow:

A technological breakthrough reduces the cost of producing computer chips.

1. What happens to the computer market?
2. What happens to the computer software market?