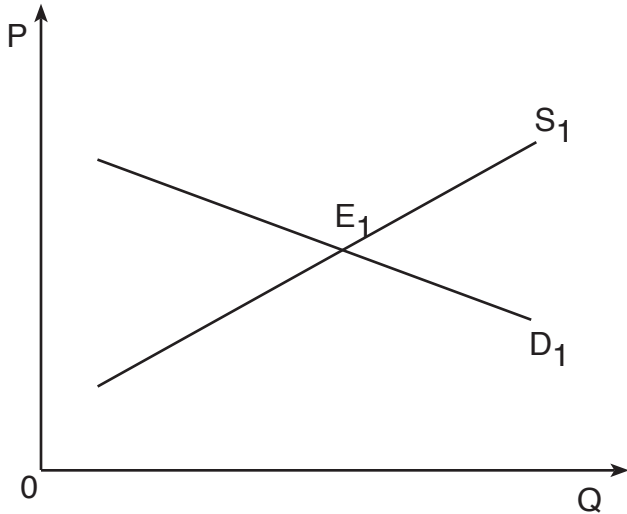


Name: _____ Date: _____ Problem Set 3

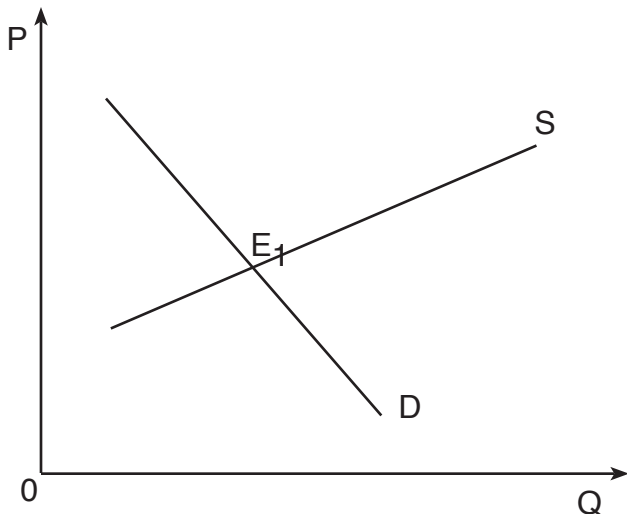
Graphically show what affect the headlines will have on the Supply and Demand curves. Explain why this occurs. Label the new curve(s), new equilibrium, new price and quantities. Explain what has happened to the Price and Quantity (Increase, Decrease, Remains the Same).



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

Today's Headline:

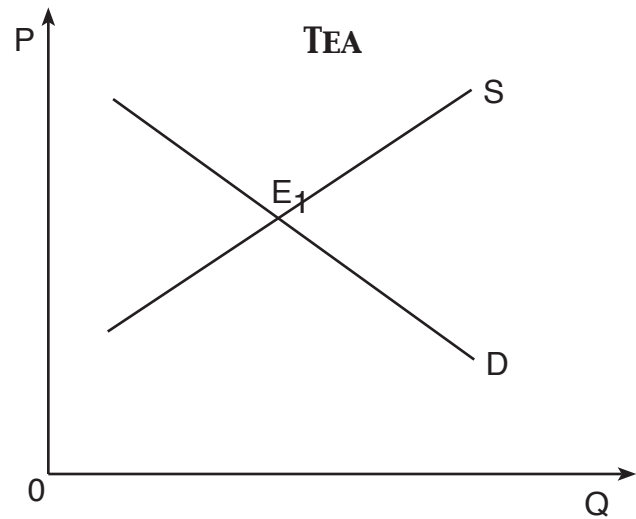
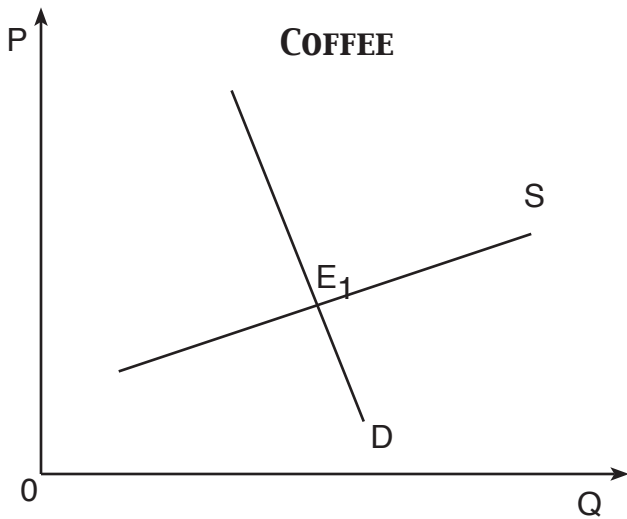
“OPRAH WINFREY ANNOUNCES ON TV THAT SHE WILL NEVER EAT BEEF AGAIN DUE TO CATTLE CONDITIONS”



2. This graph illustrates the supply and demand for goods & services.

Today's Headlines:

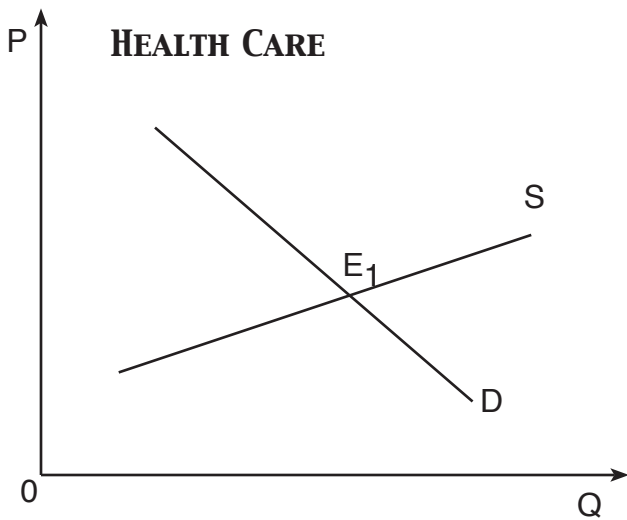
“FEDERAL GOVERNMENT LOWERS PERSONAL INCOME TAX RATE”



3. These graphs illustrate the supply and demand for Coffee and Tea restaurants.

Today's Headlines:

“A BLIGHT ON COFFEE PLANTS AFFECTS THE ENTIRE COLOMBIAN CROP”



4. This graphs illustrates the supply and demand for Health Care.

Today's Headlines:

**“PEOPLE WITH HEALTH CARE LIVE
10 YEARS LONGER THAN THOSE THAT
DON'T HAVE COVERAGE
&
NEW LAW: HEALTH CARE COSTS TO
BE TAXED AS INCOME”**