

Challenging question. Demand and Supply.

The four possibilities are given below, explain if they will result in shifting of the demand or supply curve or the movement on the demand or Supply curve.

1. New steel making techniques lower Steel prices.
- 2 The price of cell phones falls and consumers buy more of them.
3. An economic downtown lowers income, decreasing consumer purchase of high-end consumer goods.

Does the price rise or fall with the shift of the demand curve, in each of the following situations? Draw a small pre-hand graph to illustrate.

1. Demand increase, Supply stays the same

2. Supply decreases, demand stays the same

3. Supply increases, demand stays the same

4. Demand decreases. Supply stays the same.