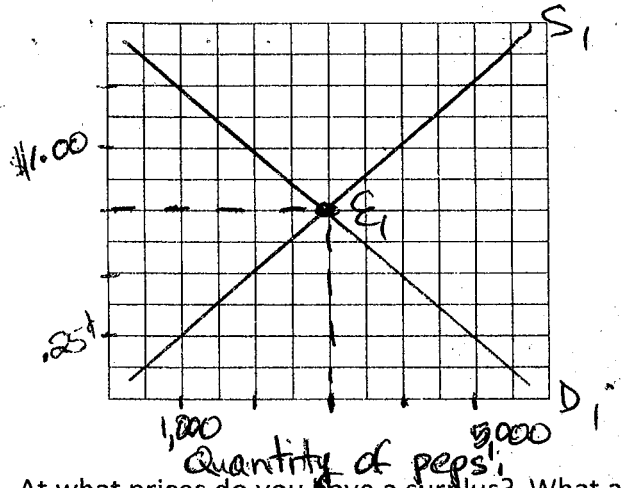
Practice, Practice, Practice

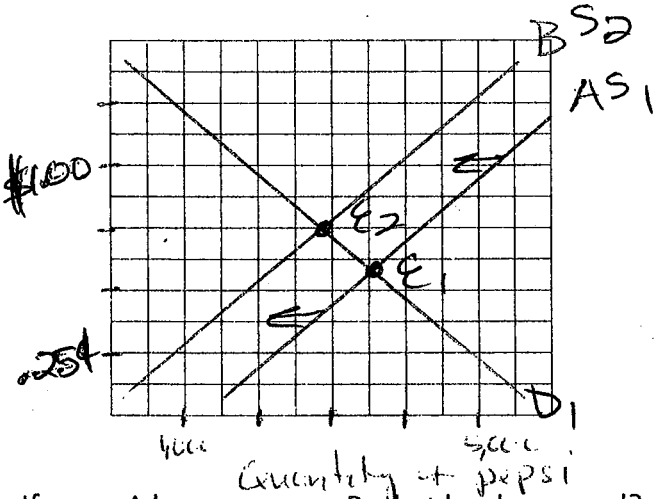


Price per pepsi

Label the graph!

1. At what prices do you have a surplus? What about a shortage?
   - Above .75¢ = surplus
   - Below .75¢ = shortage
2. What is the equilibrium price and quantity?
   - 75¢ and 3,000
3. Why is the equilibrium price the perfect price for pepsi?
   - Because at 75¢ demand and supply are equal
   - Because at 75¢ there are no shortages and no surpluses.

one or other ok

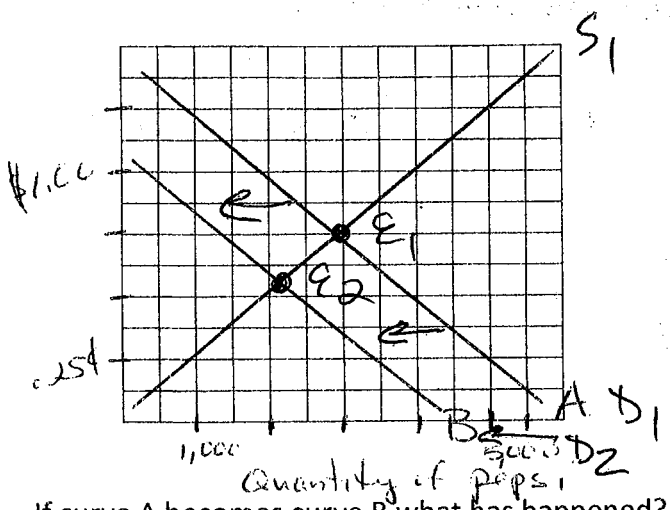


Price per pepsi

Label the graph!

4. If curve A become curve B what has happened?
   Supply has decreased

5. What are three reasons why there was a change in quantity even though the price of pepsi is still the same?
   - Inputs are more expensive
   - broken machines or technology → less production
   - loss of efficiency
6. After curve A shifted and became curve B what happened to price?
   price of pepsi increased.



Label the graph!

price per pepsi

7. If curve A becomes curve B what has happened?

Demand decreased.

8. What are three reasons why there was a change in quantity even though the price of pepsi is still the same?

- decrease in income - making less money
- a substitute is cheaper (Mountain Dew, Doctor Pepper)
- It's cold (winter) - people drink less soda

9. After curve A shifted and became curve B what happened to price?

Price of pepsi will decrease.