

- 1 Gasoline prices fell globally and in the United States in 2015-2016. Describe and illustrate the impact on the market for trucks and SUVs (which on average consume more gasoline than other vehicles).
- 2 The mountain pine beetle is an invasive species that feeds on and kills trees throughout British Columbia, which is a primary source of lumber used in North American construction. Describe and illustrate the impact on the market for lumber.
- 3 During the COVID-19 pandemic, people and businesses had a greater desire and need to work remotely, using computer technology to collaborate and communicate with each other. At the same time, production disruptions caused by the pandemic has led to lower production of computer microchips. Describe and illustrate the impact on the market for computer microchips.
- 4 Mortgage interest rates have increased from 3.5% to almost 6% in 2022 in the United States, making it more expensive for people to borrow money to buy homes. Describe and illustrate the impact on the market for residential housing.

- 5 Walmart sells a number of inferior goods, such as inexpensive off-brand clothing, off-brand food, etc. As the U.S. economy recovered from the 2020 COVID-19 recession, the unemployment rate dropped from 14% to 3.7% and average incomes rose. What was the impact on the market for inferior goods at Walmart?
- 6 Suppose the federal government increases the tax subsidy on ethanol given to ethanol producers (a subsidy is a payment made by the government to an individual or firm, usually for performing some kind of action, like production of a particular product). Describe and illustrate the impact on the market for gasoline blended with ethanol.
- 7 Suppose there is a technological innovation making it easier and less costly to produce recycled paper. Suppose at the same time, people become more environmentally conscious and become more interested in buying recycled paper. Describe and illustrate the impact on the equilibrium price and quantity of recycled paper.