ECO 120: Macroeconomics In-class Exercise: Supply and De	Your Name: mand	
Learning Objectives:		
LO 2: Apply the supply and demandant anumber of different markets, if funds.	• •	
GELO 2: Students will be able to comphenomena.	struct and use models to an	alyze, explain, and predict
Directions: Work in groups of up to a using graphs, you must clearly and c credit for an answer. All papers will randomly selected and graded and all By signing below, you agree that the the group, and you are willing to accee arned from this representation of you terms to earn a non-zero grade for this	orrectly label all axis and of be collected, but only one members of the group will a following work represents pt as your own grade for thur group's work. Every meaning the state of the proof of the	curves to receive non-zero e member's paper will be receive the same grade. the efforts of everyone in the group project the grade
Signature Group Member 1	Print Name	Date
Signature Group Member 2	Print Name	Date
Signature Group Member 3	Print Name	Date
Signature Group Member 4	Print Name	——————————————————————————————————————

For each of the following problems, read the scenario and determine the following (in order):

- Does the scenario cause a shift in the demand and/or supply curve? If so, which curve, which direction?
- Draw the supply and demand curves with appropriate shifts.
- Label the original and new equilibrium price and quantities.
- What is the impact of the scenario on price? What is the impact on quantity?
- 1. (11 points) The federal government increases its regulations on child care services, requiring higher levels of training and education for child care workers. Describe the impact on the child care market.

2. (11 points) The federal government overhauls the health insurance industry, requiring people to have adequate levels of health insurance and providing assistance to those with low incomes to allow them to buy health insurance. With more people insured, describe the impact on the health services market.

3.	(11 points) More people have become increasingly concerned about the adverse effects
	on the environment from burning fossil fuels. Describe the impact this concern has
	had on the market for trucks and sports utility vehicles. What is the impact on total
	revenue for American automobile producers that have tended to specialize in these
	types of vehicles?

4. (11 points) During the most recent recession, job prospects for recent high school graduates were low. Assume that while the recession might cause a temporary decrease in income, income earned over an entire lifetime of a recent high school graduate is not affected. Describe the impact the recession has on the market for college education for two-year-type degrees (technical colleges, community colleges, etc).

5. (11 points) Walmart sells a number of inferior goods, such as inexpensive off-brand clothing, off-brand food, etc. The most recent recession was accompanied with decreases in income for people across the country. What is the impact on the market for inferior goods at Walmart. What is the impact on Walmart's total revenue earned from inferior goods?

6.	(11 points) Throughout 2007 and 2008 there was an increase in demand for ethano based fuel. Much of the ethanol produced in the United States is made from corn which requires farmland. Describe the impact on the market for food made from corn
7.	In 2009 and 2010, the federal government offered first time home buyers \$8,000 free money (they called it a tax credit) if they purchased a house before April 2010. (a) (11 points) Describe the impact on the housing market up until April 2010.
	(b) (11 points) Predict the impact on the housing market after April 2010.
8.	(12 points) Explain how you accomplished general education learning outcome $\#2$ What model did you use? What phenomena did you explain?