

- 1 Gasoline prices rose globally and in the United States in 2008. Describe and illustrate the impact on the market for compact fuel efficient cars, such as the Toyota Prius.
- 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 Suppose interest rates increase in the United States, making it more expensive for people to borrow money. Describe and illustrate the impact on the market for new automobiles (which are often financed with loans).

- 5 Walmart sells a number of inferior goods, such as inexpensive off-brand clothing, off-brand food, etc. The 2020 COVID-19 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 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 recycled paper. Describe and illustrate the impact on the equilibrium price and quantity of recycled paper.