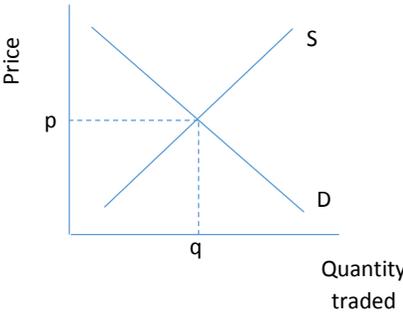
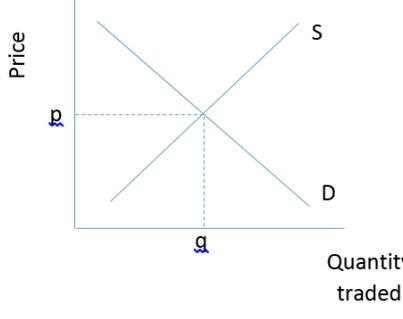
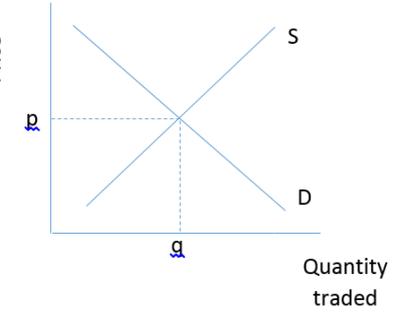
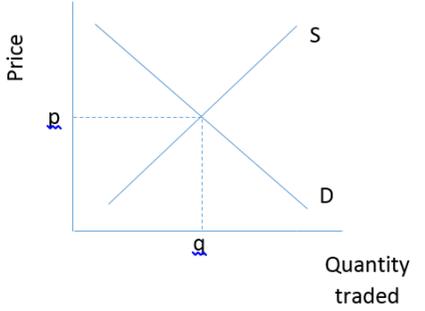
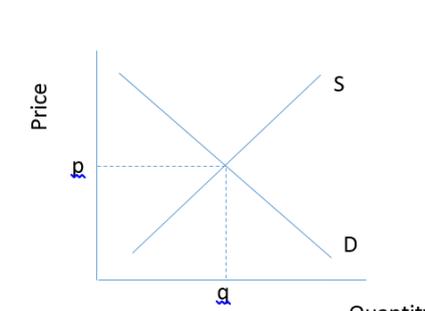
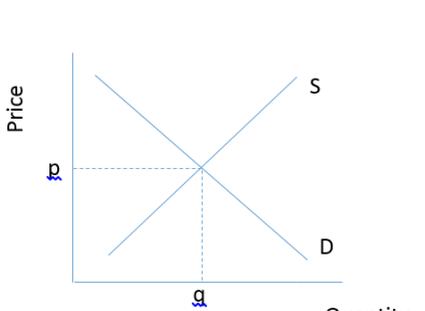


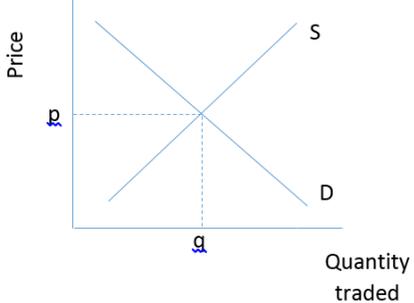
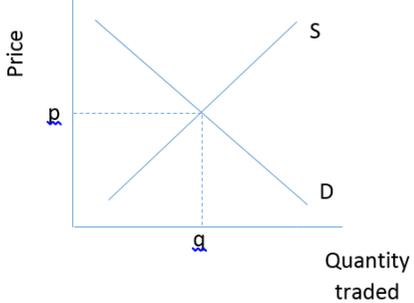
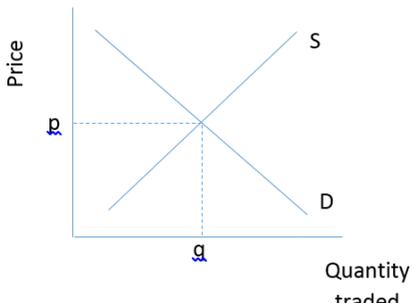
Microeconomics – demand and supply

Scenario	Shift in demand or supply?	Increase or decrease?	Diagram	Impact on price and quantity traded?
<p>1. Market for wheat</p> <p>Many African countries are enjoying a prolonged period of peace, encouraging farmers to invest in their farmland by improving irrigation, for example. There are also many entrepreneurs developing seeds that are resistant both to disease and to the periods of drought that often hit Africa.</p>			 <p>The diagram shows a standard supply and demand model. The vertical axis is labeled 'Price' and the horizontal axis is labeled 'Quantity traded'. An upward-sloping supply curve 'S' and a downward-sloping demand curve 'D' intersect at an equilibrium point. Dashed lines from this intersection point lead to 'p' on the price axis and 'q' on the quantity axis.</p>	<p>Extension: what is the impact on demand for African agricultural produce of EU subsidies for EU farmers?</p>
<p>2. Student housing in Liverpool</p> <p>In 2012, the UK government relaxed restrictions on the number of UK students that universities were allowed to accept. Many of the older, city-based universities such as Liverpool, have seen an increase in student numbers in 2015 of around 6.5%. Students increasingly “shop around” to find the university that offers the best student experience and best quality – one factor that is important is the quality of housing</p>			 <p>The diagram shows a standard supply and demand model. The vertical axis is labeled 'Price' and the horizontal axis is labeled 'Quantity traded'. An upward-sloping supply curve 'S' and a downward-sloping demand curve 'D' intersect at an equilibrium point. Dashed lines from this intersection point lead to 'p' on the price axis and 'q' on the quantity axis.</p>	<p>Extension: analyse two markets, other than housing, that could benefit as a result of the increase in the number of students</p>
<p>3. Market for Aston Martin cars</p> <p>Aston Martin is known for producing luxury cars, that retail for around £100, 000 (for the most basic model!). The company has recently announced a new strategy in which it will build its latest models in Wales, using cheap land and factories that previously belonged to the military. They are also now using engines built in bulk by Mercedes-Benz, rather than developing their own expensive engines.</p>			 <p>The diagram shows a standard supply and demand model. The vertical axis is labeled 'Price' and the horizontal axis is labeled 'Quantity traded'. An upward-sloping supply curve 'S' and a downward-sloping demand curve 'D' intersect at an equilibrium point. Dashed lines from this intersection point lead to 'p' on the price axis and 'q' on the quantity axis.</p>	<p>Extension: to what extent do you think Aston Martin will be willing to lower the price of their cars?</p>

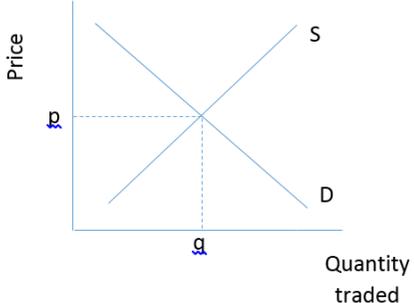
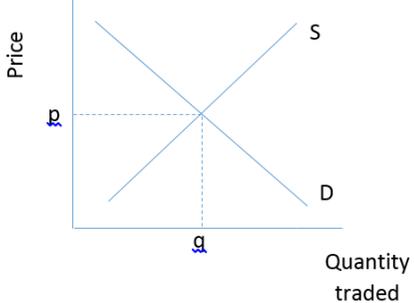
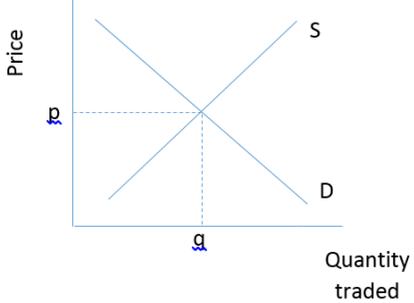
Year 1 A-Level (AS) Economics – Diagrams Revision Worksheet

Scenario	Shift in demand or supply?	Increase or decrease?	Diagram	Impact on price and quantity traded?
<p>4. The market for rented housing</p> <p>In his 2015 Budget, George Osborne announced that as of April 2016 landlords would no longer get “tax relief” on the interest that they paid on their mortgages – this will significantly increase the costs of being a landlord.</p>				<p>Extension: what is the likely impact on the market for housing for first-time buyers?</p>
<p>5. The market for washing powder</p> <p>In the US, laundry detergent companies have decided to launch new brands of washing powder aimed specifically at the male market. The detergent, marketed specifically at men, will smell more like traditional male cologne scents. The companies behind the new products believe that the products will be incredibly popular, especially as more men now live by themselves.</p>				<p>Extension: to what extent do you think <i>more</i> washing powder will be bought, or will consumers simply switch from one brand to another?</p>
<p>6. The market for flights in Scotland</p> <p>The Scottish government is set to take more control of their tax affairs, and one tax they want to cut is Air Passenger Duty, an indirect tax on flights. The Scottish National Party has said that it wants to cut the Duty by 50% between 2018 and 2021.</p>				<p>Extension: assess the impact on airports in the North of England if the Scottish gov’t cuts APD on flights in Scotland</p>

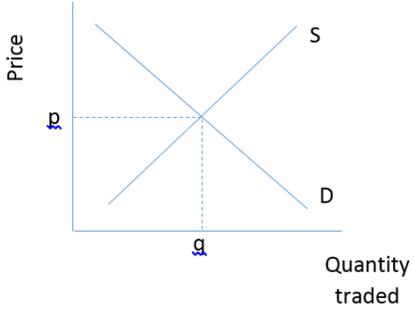
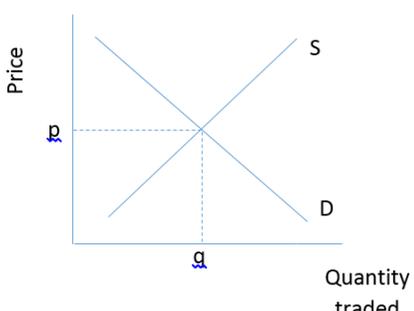
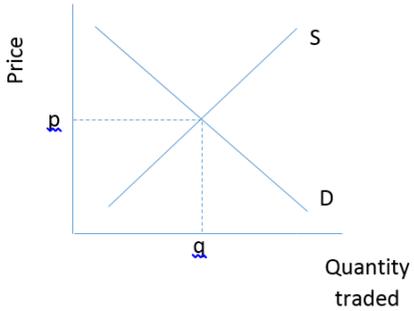
Year 1 A-Level (AS) Economics – Diagrams Revision Worksheet

Scenario	Shift in demand or supply?	Increase or decrease?	Diagram	Impact on price and quantity traded?
<p>7. The global shipping market While the Chinese economy was enjoying double-digit growth, fuelled in part by huge volumes of exports, the global bulk-shipping industry was running at full capacity and was highly profitable. China’s economy is slowing, though, and Chinese producers no longer need to import as much coal or oil or other raw materials. Demand for China’s exports has also started to decline.</p>			 <p>The diagram shows a standard supply and demand model. The vertical axis is labeled 'Price' and the horizontal axis is labeled 'Quantity traded'. An upward-sloping supply curve 'S' and a downward-sloping demand curve 'D' intersect at an equilibrium point. Dashed lines from this intersection point lead to 'p' on the price axis and 'q' on the quantity axis.</p>	<p>Extension: suggest alternative uses for the large and empty cargo ships moored out at sea</p>
<p>8. The Indian lingerie market For many year, buying ladies lingerie in India was a bit of a taboo subject – sellers of ladies underwear simply did not advertise. However, as cultural attitudes are starting to shift, some lingerie retailers are starting to advertise, and even more are starting to sell online, as e-commerce in India really starts to take off.</p>			 <p>The diagram shows a standard supply and demand model. The vertical axis is labeled 'Price' and the horizontal axis is labeled 'Quantity traded'. An upward-sloping supply curve 'S' and a downward-sloping demand curve 'D' intersect at an equilibrium point. Dashed lines from this intersection point lead to 'p' on the price axis and 'q' on the quantity axis.</p>	<p>Extension: what challenges might the e-commerce sector in India face?</p>
<p>9. The UK plastic bag market The UK recently introduced a 5p tax on plastic bags supplied by large retailers in an attempt to reduce environmental damage. The tax has had a huge impact, with consumers radically changing their behaviour and starting to swap to substitutes such as reusable bags or an increase in home delivery, rather than paying for plastic bags.</p>			 <p>The diagram shows a standard supply and demand model. The vertical axis is labeled 'Price' and the horizontal axis is labeled 'Quantity traded'. An upward-sloping supply curve 'S' and a downward-sloping demand curve 'D' intersect at an equilibrium point. Dashed lines from this intersection point lead to 'p' on the price axis and 'q' on the quantity axis.</p>	<p>Extension: explain the impact on the market for reusable shopping bags as a result of the 5p plastic bag charge</p>

Year 1 A-Level (AS) Economics – Diagrams Revision Worksheet

Scenario	Shift in demand or supply?	Increase or decrease?	Diagram	Impact on price and quantity traded?
<p>10. The market for carbon monoxide detectors</p> <p>A new law requires all landlords to fit their properties with carbon monoxide detectors, in addition to smoke alarms, following a spate of high profile deaths from carbon monoxide poisoning. This means that all rented properties must now contain at least one carbon monoxide detector.</p>				<p>Extension: should carbon monoxide detectors be provided free to landlords and tenants?</p>
<p>11. The market for fast food in London</p> <p>Companies such as Just Eat and Deliveroo are revolutionising the fast food and takeaway food industries in cities such as London. These companies have developed apps that allow consumers to order takeaway food from thousands of restaurants and get it delivered to their door, without having to trawl through many menus or arrange to pick up their takeaway.</p>				<p>Extension: explain why fast food companies did well during the Great Recession</p>
<p>12. The market for chocolate digestives</p> <p>Following the severe flooding in the Lake District during Christmas 2015, many biscuit factories had to close and took months to reopen. This supply shortage initially caused “biscuit hoarding” as biscuit-lovers across the UK cleared the shelves of biscuits, worried that there would be none available in a short period of time.</p>				<p>Extension: suggest one product that UK consumers might consume less of, and one that they might consume more of, as a result of the biscuit shortage</p>

Year 1 A-Level (AS) Economics – Diagrams Revision Worksheet

Scenario	Shift in demand or supply?	Increase or decrease?	Diagram	Impact on price and quantity traded?
<p>13. The market for US dollars</p> <p>In January 2016, currency traders around the world widely expected the Federal Reserve (the US central bank) to raise the US interest rate very soon, and decided to act sooner rather than later to buy dollars.</p>				<p>Extension: give one example of a factor that could offset the impact of the speculation</p>
<p>14. The market for solar panels</p> <p>In December 2015, the UK government announced that it was going to cut its subsidies on small solar panels for domestic properties by 64%. This announcement came on the back of the government’s policy u-turn in which they said that new homes would no longer have to be “carbon neutral”.</p>				<p>Extension: analyse the impact on the market for energy generated by fossil fuels</p>
<p>15. Market for budget hotel rooms</p> <p>In April 2016, the government’s new National Living Wage policy – where over 25s will be paid a minimum of £7.20 per hour – will come into force. Many hoteliers, especially in budget hotels, already face slim profit margins. They are worried about the impact that this will have on their industry.</p>				<p>Extension: suggest one industry that is unlikely to be badly hit by the introduction of the NLW</p>