Shifting Curves – The Automobile Industry

Look at each of the following headlines regarding **the automobile industry** and indicate if there will be a shift in either supply or demand curves. Which curve is effected and in which direction? Finally graph the effect on price and quantity.

Headline	Does curve shift?	Which curve and which direction?	Graph the change.
US Automakers improve the efficiency of the electric car battery			
The Price of gasoline increases			
The Price of Rapid Transit (buses, subways, trains) increases			
The Recession leads to a decrease in American incomes			
US autoworkers take pay and benefit cuts to retain their jobs			
The price of US automobiles falls			
Smaller auto companies close due to the recession			

Four Shifting Graphs

#1 Demand Increases	#2 Demand Decreases
Impact of Prices and Quantities	Impact of Prices and Quantities
impact of Frices and Quantities	impact of Frices and Quantities
#3 Supply Increases	#4 Supply Decreases
#3 Supply Increases	#4 Supply Decreases
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#3 Supply Increases Impact of Prices and Quantities	#4 Supply Decreases Impact of Prices and Quantities