Supply and Demand Infographic Activity ***(Updated 2023)***

Permission is granted to reprint or photocopy this lesson in its entirety for educational purposes provided the user credits the Federal Reserve Bank of Atlanta. www.atlantafed.org/education

Supply and Demand Infographic Activities

The concept of supply and demand is often called the heart and soul of economics and is the foundation for much of what is studied in the field. (The British classical economist J.R. McCulloch is attributed with the famous saying that you can make a parrot an economist if you only teach it to say: "supply and demand.") Understanding how supply and demand affect the economy can help us to recognize economics everywhere in our daily lives. The supply and demand infographic highlights basic concepts such as the laws of supply and demand, changes in demand and supply versus changes in the quantity demanded and the quantity supplied, the determinants of demand and supply, and market equilibrium.

Activity 1

Refer to the infographic (bit.ly/frba-supply-demand) to answer the following questions:

1. Define the law of demand. Define the law of supply. Describe these terms in your own words and make sure to include an explanation of the relationship between price and quantity.

2. When prices change, how is that reflected on a given supply or demand curve? For instance, if the price of a particular chocolate bar increases, will demand or quantity demanded change? Explain.

3. List the determinants of demand.

4. List the determinants of supply.

5. What happens to a given supply or demand curve if one of the determinants of supply or demand change? Using one of the determinants you listed for questions 3 and 4, provide an example for demand and another one for supply and illustrate the examples by drawing correctly labeled graphs. (Do not use the examples from the infographic.)

6. Define market equilibrium and explain how it is determined.

Activity 2

This activity connects supply and demand to the real world. Students will read articles that show changes in supply or demand, or simply analyze each summary and translate the content to the analysis of demand, supply, quantity demanded and quantity supplied, and market equilibrium. Remember that all changes are **other things being equal.**

1. DVD sales are sliding because more consumers are watching content digitally. (This involves two markets.) Article: bit.ly/digital-soars

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
DVDs					
Digital content					

2. Regional droughts and demand from Arby's creates a brisket shortage; the article also mentions the increase in the popularity of brisket. Article: bit.ly/barbecue-brisket

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Brisket					

3. There is an oversupply of oil from increased North American and Saudi Arabian production. Article: bit.ly/oil-glut

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Gasoline					

4. New cage laws for chickens decrease the number of chickens (and therefore the number of eggs). Article: bit.ly/egg-prices

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Eggs					

5. Movie ticket prices increase. Article: bit.ly/ticket-prices-change

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Movie tickets					

6. Piano stores close as fewer young people are taking up the instrument. The article also mentions that technology has improved so that pianos last longer.
Article: bit.ly/piano-stores

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Pianos					

7. Consumers become more health conscious and reduce their consumption of donuts.
Article: bit.ly/donuts-change

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Donuts					

8. The increase in Mexican immigrants and an increase in popularity for Mexican cuisine has resulted in greater consumption of tortilla chips.
Article: bit.ly/tortilla-chips-sales

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Tortilla chips					

9. As the American population is aging, fast food consumption is falling.
Article: bit.ly/fast-food-sales

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Fast food					

10. Avocados become America's favorite fruit.
    Article: bit.ly/avocado-change

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Avocados					

11. Hyundai's car sales are affected by lower gas prices.
    Article: bit.ly/small-cars

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Small cars					
SUVs					

12. Dry weather has decreased Ghana's cocoa production by 22 percent from last year.
    Article: bit.ly/cocoa-prices-go

Market	What changed?	Demand	Supply	Curve shift	Equilibrium price and quantity
Chocolate bars					

Activity 3

Suppose that you are a writer for the blog *All Things Chocolate* and are writing a post that illustrates how principles from your economics class can be illustrated by the market for chocolate candy bars. You want to include some headlines from recent news stories. Find actual news articles using chocolate to illustrate each of the following concepts or, if none are available, create your own detailed headlines.

You may choose to draw a graph to illustrate the changes in equilibrium.

1. Change in quantity demanded.
2. Change in quantity supplied.
3. Change in number of buyers of chocolate bars.
4. Change in the price of related goods.
5. Change in consumer expectations.
6. Change in income of chocolate bar buyers.
7. Change in technology.
8. Change in input prices.
9. Change in the number of sellers.
10. Change in producer expectations.