

Healthcare management

Business



A new and improved crop rotation technique is discovered. If a new and improved crop rotation technique is discovered in the US, the market supply curve for the corns would shift towards the right side. This is because of various reasons such: The quantity of corn production would automatically increase due to the fact that new and improved technique would boost their production. Another possible reason for the right shift is that the number of farmers in the sector of corn production is likely to increase because they might be motivated by the new technique of production (Flynn, et al, 2007). The price of fertilizer falls.

If the price of the fertilizer falls, then the market supply curve would shift to the right because of the following reasons: The cost of producing the corns would have been reduced thus leading to increased supply. This also would enable many farmers that are either farming on a large scale or small scale to engage in the production of corn since the production cost has been reduced for them (Flynn, et al, 2007). Another possible reason may be that farmers who are specialized in the cultivation of other crops are most likely to shift their production towards corn production

The government offers new tax breaks to farmers.

If the government offers new tax breaks to the farmers, the market supply curve of the corns would shift to the right due to the following reasons: The cost of production would have been reduced as the realized profits are increased. This is because; the reduction of tax imposed on the production of the corns would encourage many farmers to practice corn production since high tax on corn production makes many farmers shy away from producing them.

A tornado sweeps through Iowa.

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If a tornado sweeps through Iowa, then the supply curve of the corn production in the US would shift towards the left since the tornado would affect the corn production negatively. As a result, the supply of corns would reduce.

Indicate how you think each of the following would shift demand in the indicated market:

The incomes of buyers in the market for Adirondack vacations increases.

If the incomes of the buyers in the market for Adirondack vacations increases, the demand curve would shift to the right because of the following reasons; when the income increases, the demand for the products increases thus leading to a shift towards the right. The second reason is that the number of people with the ability to afford the product would rise thus increasing the demand of the product

Buyers in the market for pizza read a study linking pepperoni consumption to heart disease.

If in the market for pizza read a study linking pepperoni consumption to heart disease, the demand curve would shift to the left due to the following reasons. A change in taste is likely to occur thus increasing the demand for substitutes as the demand for pizza reduces. The pizza consumers may shy away from the heart disease connected to it thus affecting negatively its demand on the market.

Buyers in the market for CDs learn of an increase in the price of downloadable MP3s (a substitute for CDs).

In this situation, the presence of a close substitute would shift the demand curve to the left due to the fact that the attention of the consumers would be directed towards the MP3s because they are of high quality. As a result, the demand for the CDs would decrease (Flynn, et al, 2007).

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How will a new law mandating an increase in required levels of automobile insurance affect the equilibrium price and quantity in the market for new automobiles?

When a new law mandating an increase in the required levels of automobile insurance comes in existence, the effect on the equilibrium price and quantity in the market for new automobiles would be affected negatively. The equilibrium price would decrease as the equilibrium quantity also reduces because the new law increases the cost of production.