

NAME: \_\_\_\_\_

DATE: 01/22A23B/2018

ASSIGNMENT: Supply and Demand curves

DIRECTIONS: Sketch a supply and demand curve for coffee beans in Brazil.

- i) Scale the x-axis in 0.5 billion kg increments & y-axis in \$10 increments.
- ii) Label the Supply curve with "S" and Demand curve with "D"

SITUATION: The market equilibrium for Brazilian coffee beans is 2.5 bn kg at a price of \$40. Please draw a \*\*\*STAR\*\*\* at this point.

Adverse weather conditions cause production to drop 20% causing either the demand OR supply curve to shift. Choose the correct curve and direction, sketch the new curve, and \*\*\*CIRCLE\*\*\* the new market equilibrium.

PS. All of these numbers are real. Brazil produces a lot of coffee.

