Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period: \_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_

**Shift in Demand Practice**

Directions: Use the following demand data on Frappuccino Coffees to respond to questions below.



|  |  |
| --- | --- |
| **Quantity** | **Price** |
| 1 | $20.00 |
| 2 | $18.00 |
| 4 | $16.00 |
| 6 | $14.00 |
| 9 | $12.00 |
| 12 | $10.00 |
| 17 | $8.00 |
| 22 | $6.00 |
| 26 | $4.00 |
| 30 | $2.00 |

1. Which of the following does a change in price of a product represent?
	1. Shift in Demand
	2. Change in Quantity

Explain your answer:

**Note: For Scenarios 2 ­ 9, fill in all blanks (1st with ↑↓, 2nd with description of reason for shift) *and* construct a simple graph to illustrate the impact on demand of *Frappuccino* in the space to the right.**

1. Consumers have decided that McDonald’s McCafe is way more hipster than Starbucks and have begun taking their business to McDonald’s more often.

Shift in Demand ↑↓

Explanation of Shift

1. Consumers have decided that the new lower prices at Dunkin Donuts are worth visiting there over Starbucks.
2. Consumers who normally frequent a local cafe, that has recently closed, have decided that they will start spending more of their time and money at Starbucks.

Shift in Demand ↑↓

Explanation of Shift

1. Consumers are excited about a new rewards program about to be offered at Starbucks and are waiting for it to be released before purchasing coffee to maximize rewards.

Shift in Demand ↑↓

Explanation of Shift

1. Consumers in Elkhart have experienced spikes in income due to the improving economy and are more willing to buy from Starbucks

Shift in Demand ↑↓

Explanation of Shift

1. Population has decreased over the years due to individuals having less children.

Shift in Demand ↑↓

Explanation of Shift

1. Consumers are purchasing more breakfast sandwiches from Starbucks new food menu. These pair nicely with many of Starbucks’ coffees.

Shift in Demand ↑↓

Explanation of Shift

1. Consumers are excited about the new updates to Starbucks Cafes and are visiting more often.