

Name _____ . (Return on Monday, January 28)

1. Juloy's demand for a good is given by

$$Q = 0.1Y - 5P,$$

where,

Q = quantity demanded (box), P = price (\$'s per box) & Y = income (\$'s).

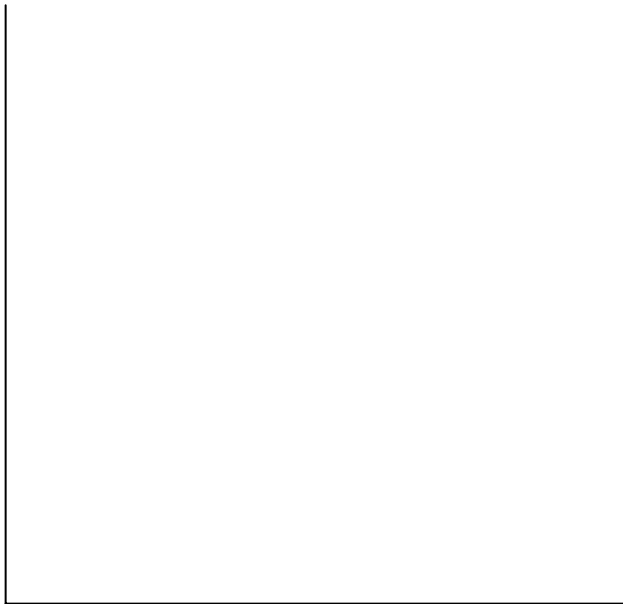
a. Assume that $Y_0 = 1000$. Write the equation for Juloy's demand curve and graph it.

Compute $Q = \underline{\hspace{2cm}}$ if $P = \$12$ and Juloy spends \$480 on the good.

b. The slope of the demand curve is $\frac{dP}{dQ} = - \underline{\hspace{2cm}}$. In what units is it measured _____.

c. Suppose price is fixed at $P = \$12$. Compute the income $Y_n = \underline{\hspace{2cm}}$ that will permit Juloy to buy $Q = 60$ boxes of the good..

Draw the demand curves corresponding to the two values of the parameter Y.



2. The two tables below describes either a movement along a demand curve or a shift in the demand curve for a single consumer. Identify each situation and graph it.

Q = quantity demanded of pork (lbs)
P = price of pork (dollars per lb)
 P_B = price of beef (dollars per lb)
Y = the consumer's income (dollars)

a.

	P	P_B	Y	Q
Old	2	1	100	30
New	2	2	100	15



b.

	P	P_B	Y	Q
Old	2	1	100	30
New	1	1	100	60



