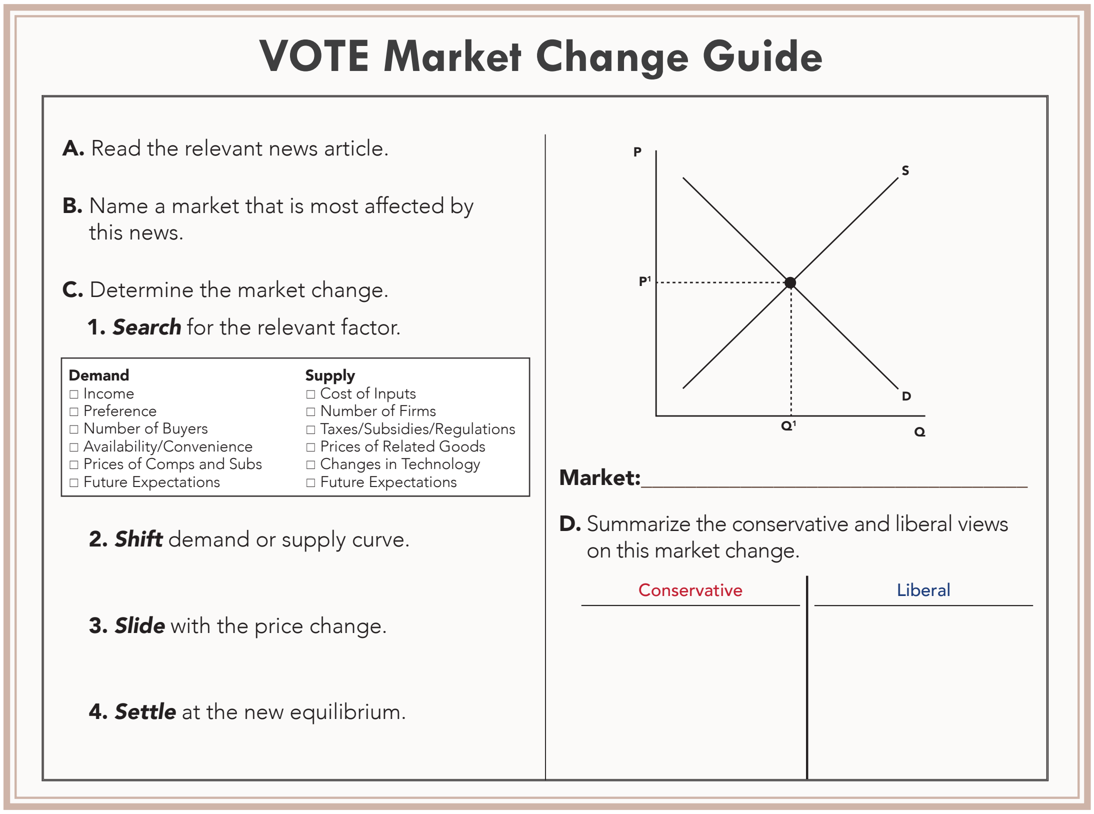
VOTE Market Change Guide Instructions

Here is a tool to help you analyze changes in markets from the liberal and conservative perspectives. Have a blank Market Change Guide ready and then follow these instructions to fill it in.



VOTE Market Change Guide

A. Read the relevant news article.

B. Name a market that is most affected by this news.

C. Determine the market change.

1. *Search* for the relevant factor.

Demand	Supply
Demand	**Supply**
☐ Income	☐ Cost of Inputs
☐ Preference	☐ Number of Firms
☐ Number of Buyers	☐ Taxes/Subsidies/Regulations
☐ Availability/Convenience	☐ Prices of Related Goods
☐ Prices of Comps and Subs	☐ Changes in Technology
☐ Future Expectations	☐ Future Expectations

2. *Shift* demand or supply curve.

3. *Slide* with the price change.

4. *Settle* at the new equilibrium.

Market:______________________________

D. Summarize the conservative and liberal views on this market change.

Conservative	Liberal

A. Read the relevant news article.

B. Name a market that is most affected by this news. Write it on the line below the graph.

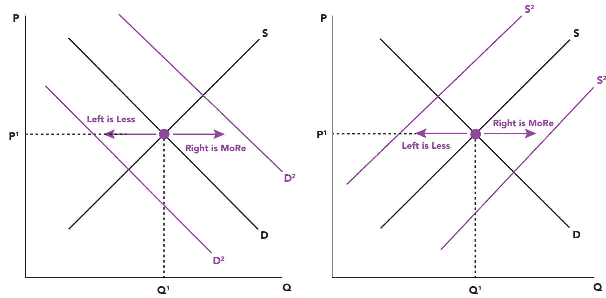
Continue to next page

C. Determine the market change. This happens in four steps (you can even think of them as dance steps):

- **STEP 1: *SEARCH*** for the relevant factor. Look at the list of twelve factors and check the appropriate box.

Demand	**Supply**
☐ Income	☐ Cost of Inputs
☐ Preference	☐ Number of Firms
☐ Number of Buyers	☐ Taxes/Subsidies/Regulations
☐ Availability/Convenience	☐ Prices of Related Goods
☐ Prices of Comps and Subs	☐ Changes in Technology
☐ Future Expectations	☐ Future Expectations

- **STEP 2: *SHIFT*** the demand or supply curve. If the relevant factor affects demand, then the demand curve shifts either to the right or to the left. If the relevant factor affects supply, then the supply curve shifts either to the right or to the left. To draw the shift, start with a horizontal arrow from the original equilibrium price to the left or right.



- **STEP 3: *SLIDE*** with the price change. If, at the original price, quantity supplied (Q^S) is greater than quantity demanded (Q^D), it means the market has a surplus. When there's a surplus, price tends to come down. If, at the original price, quantity demanded (Q^D) is greater than quantity supplied (Q^S), the opposite happens. Use up or down arrows to indicate whether price goes up or down. Here are the two possible answers:

  - $Q^S > Q^D$, Surplus, P tends ↓
  - $Q^D > Q^S$, Shortage, P tends ↑

- **STEP 4: *SETTLE*** at the new equilibrium. It's the new price where Q^S meets Q^D. Here are the four possible answers:

  - New Eq. P↑, New Eq. Q↓
  - New Eq. P↓, New Eq. Q↑
  - New Eq. P↑, New Eq. Q↑
  - New Eq. P↓, New Eq. Q↓

D. Summarize the liberal and conservative views on this market change.

Conservative	Liberal

Here are the possible answers:

- Government interference hurts society.
- Government intervention helps society.