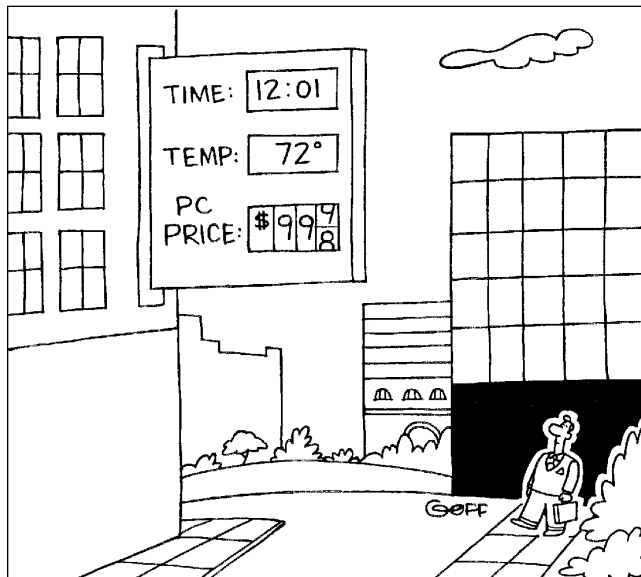




Economic Cartoons

Study this cartoon and review the section entitled “Changes in Market Equilibrium” beginning on page 133 before answering the questions below.



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1. What unusual information is posted on this time and temperature sign? _____

2. **Drawing Inferences** What does the sign suggest about the price of PCs, or personal computers? _____

3. **Drawing Conclusions** Why might PCs undergo frequent price changes? _____

4. **Synthesizing Information** (a) What effect might a drop in the cost of production have on the market price of PCs? _____

(b) What factors might have the opposite effect on price? _____

5. **Analyzing Information** Would news of a technology that makes PCs outdated be likely to affect the supply of computers or the demand for computers first? _____
