

Economic diagram and graph analysis

Read the model graph, then plot a shift of your own.



NAME _____ CLASS _____ DATE _____

LEARNING GOAL

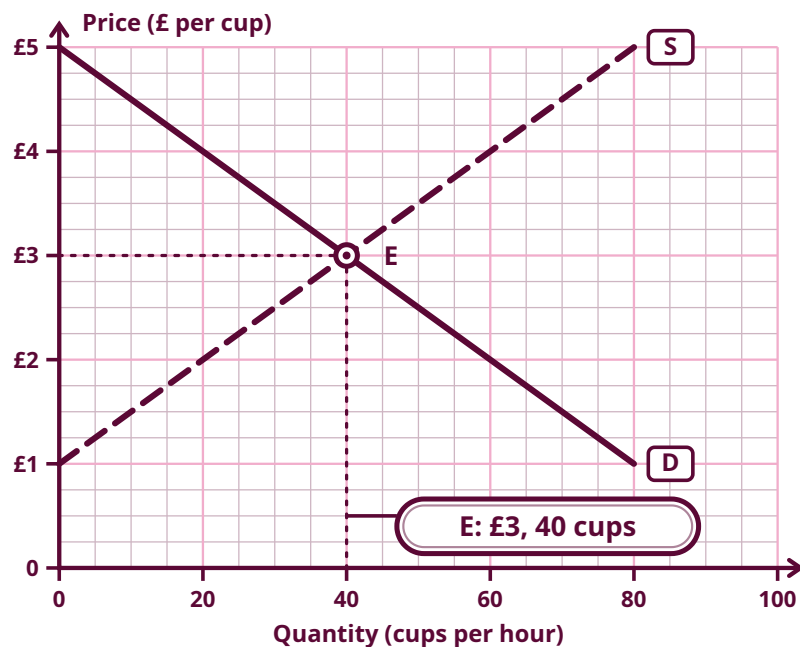
Use a supply and demand diagram to find equilibrium, a surplus and a shortage in the market for takeaway coffee in a small town.

SUCCESS CRITERIA

- ☐ I can read price and quantity from a graph.
- ☐ I can find a surplus and a shortage.

ENTRY 1

A café sells takeaway coffee. Study the graph.



ENTRY 2

Read the schedule and the graph

PRICE (£ PER CUP)	£1	£2	£3	£4	£5
Demand D (cups per hour)	80	60	40	20	0
Supply S (cups per hour)	0	20	40	60	80

- A Price at equilibrium
- B Quantity at equilibrium
- ▲ c Surplus at £4 per cup
- ◆ d Shortage at £2 per cup

£ PER CUP

CUPS PER HOUR

CUPS

CUPS

NOTES TO SELF

TWO LINES

D is solid and slopes down. S is dashed and slopes up.

EQUILIBRIUM

The lines cross at E, where supply equals demand.

EQUILIBRIUM

SURPLUS

SHORTAGE

Surplus: supply is more than demand. **Shortage:** demand is more than supply.

READING E

Follow the dotted lines across to the price axis and down to the quantity axis.

A shift in demand

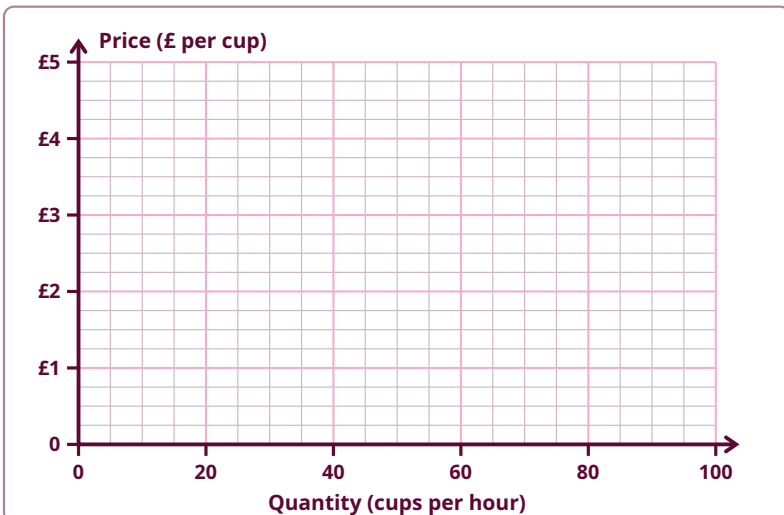


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ENTRY 1

Plot S and D2 on the graph

PRICE (£ PER CUP)	£1	£2	£3	£4	£5
Supply S (cups per hour)	0	20	40	60	80
New demand D2 (cups per hour)	100	80	60	40	20



THE CAUSE

A social media trend makes takeaway coffee more popular.

Plot S (**dashed**) and D2 (**dash-dot**). Label each line.
Ring the new equilibrium, where D2 crosses S.

ENTRY 2

Read the new equilibrium

● A New price

■ B New quantity

▲ C Price change

◆ D Quantity change

 £ PER CUP

 CUPS PER HOUR

 + or - £ PER CUP

 + or - CUPS PER HOUR

ENTRY 3

Tick one. The change is:

☐ a shift of the demand curve

☐ a movement along the curve

ENTRY 4

Explain why the price rises (two or three sentences)

DEMAND

SHORTAGE

PRICE

EQUILIBRIUM

ENTRY 5

Name a cause of a movement along the curve, not a shift

Hint: a change in the price of the good itself.