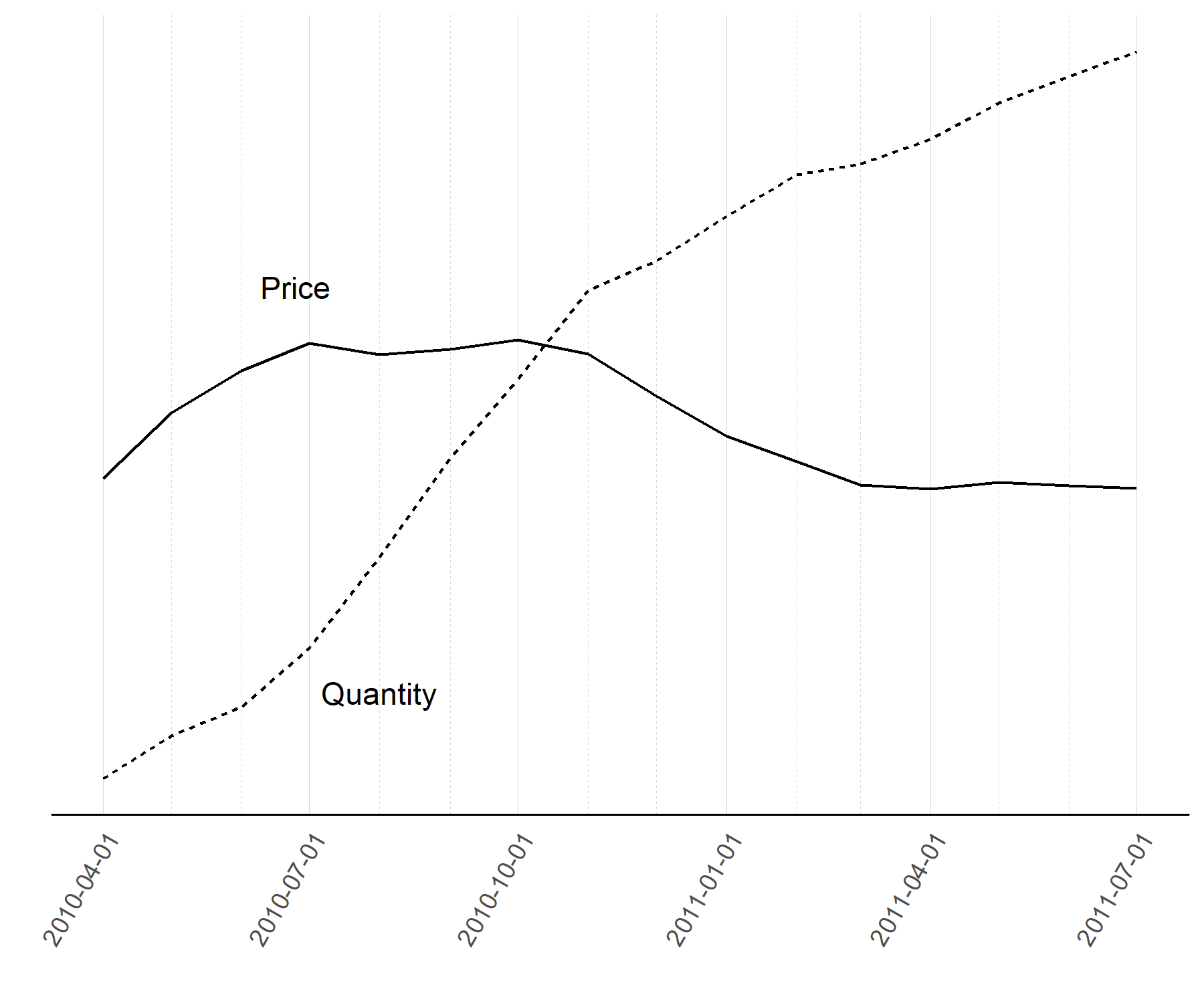
1. Suppose that there was some news article claiming that napa cabbage is a “superfood” (not a well-defined concept, but people seem to think it is) and that the story was picked up by Oprah, Dr. Oz, David Avocado Wolf, Mr. Rogers, and the great Cthulhu, who all championed its use in their shows and religious rituals.
   1. Your friend tells you that because of the vegetable’s new popularity that there will be a shortage of napa cabbage. What do you think of this claim?
   2. Identify one or two other goods whose markets will be affected by this event and show how they will be affected.
2. If supply of a product is given by P=Q+2 and demand is given by P=12-Q,
   1. How much will be supplied at a price of $6? How much will be demanded?
   2. If the price is $6, what will happen to the price over time?
3. Consider effects of tariffs on imports of steel and aluminum. Tariffs are taxes on the importers.
   1. Show using supply and demand what will happen in the market for nails (the metal fasteners—not fingernails).
   2. Given your answer to part a, what will happen to the marginal value of nails purchased? Justify your answer by referencing specific parts of your graph.
4. The figure below presents data on the price of a good and the quantity traded over time. Explain what happened to supply and demand over time to produce these data. Focus only on major changes (no more than 3).



1. For the graph of oil prices and quantities below (these are actual data, but I modified the scales to make the question easier), do the same thing as in question 3.

