

Well here we are ladies and gentleman, with our final segment part 9. Now what I want to do is cover a checklist, if you will, a list of questions to ask yourself, on how best to analyze any homework problem or discussion thread problem so that you're sure that you get the best grades possible on that work. To do that, there are 10 simple questions that I would like you to ask yourself as you develop your answers to a particular problem. To begin with, you want to know what is the starting situation. Invariably we start at equilibrium. We're given a situation, what the starting point is. Then, the second thing that were given is what the change in that situation is. Then, once we find that out, once we know what the changes in the situation then, the next question we want to ask ourselves is, does it affect either the demand or the supply? We need to know that. We need to know what is it affecting. Is it affecting demand or is the situation that changes, going to affect supply? Once we determine which of those two it's going to affect then, the next question is, does the situation result in a movement along the curve, which would be caused only if the situation describes a change in price, or does it involve a shift of the curve. Remember there's a certain set of factors that would cause a shift in a demand curve. There's another totally different set of factors that would cause a shift in the supply curve. Now, if we go back to the question if it's movement, is the movement up or is it down. So if we're experiencing movement up a supply curve or up a demand curve, or are we experiencing movement down the supply curve or down the demand curve. If our question had answered yes there was movement because they described the price change then, is that change, is that movement, going to be up or down which curve. Now, if the situation instead of presenting us with a movement, if it's going to give us a series of factors or a factor that causes us to recognize that it is giving us a shift in the curve; remember we've already determined if we're talking about supply or demand, now we've determined that it is a shift in that curve. Now is that shift to the left, or is it to the right? If we're talking about a demand curve shifting to the right that means more will be demanded at every price. If it's a shift to the left, less will be demanded at every price. If we're talking about the supply curve, if it is a shift to the right, more will be supplied at every price. If it's a shift to the left, less will be supplied at every price. Once we determine what direction the shift goes in, if it's a shift then, the next question is what will be the reaction that will be caused in the other curve. If our problem situation has given us information about a shift in the supply curve then, after that shift takes place, what will the consumers see in their demand curve. What will be their reaction, if you will, to that shift. Then, the reverse, if we're talking about a shift of the demand curve. Then, what will the suppliers see as a result or reaction to that shift. Now, finally, not finally, but the eighth question you want to ask yourself is after all this is done, what will happen to the new equilibrium point? Where will it be? Hand in hand with that, once you determine where the new equilibrium point will be then, question nine, is the final price higher or lower than the original equilibrium? And, is the final quantity demanded and supplied, is it higher or lower? Now, you can have some side questions to this. For instance, in the previous part 8, we were looking at an increased demand of where we had both America and Germany, we had them both demanding. Then, we asked what happened to the Americans demand alone? We could have a situation where the problem asks you to go back and look at what's happening to just one segment of that combined demand, or likewise, combined supply. There's a lot of variations that you can have in this situation. But if you use these 10 questions as your guide to answering your problem, whatever the homework problem is then, you should be able to come up with virtually all the major factors that your homework would be graded upon. So with that, I would like to thank you for participating in the slides that we had. I hope this

provides some good information for you, and I hope that it helps clarify some of the information for you. If you have any questions, please don't hesitate to get in touch with me. You know how to get a hold on me, either through email or through the AOL instant messaging. So please come to me anytime you need me and I'm here to help you understand the material. With that, thank you very much.