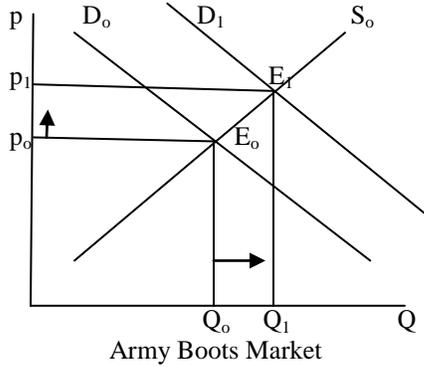


**Econ 1A Quiz 4 (sample) Answer for 2, 3, and 4**

2. As a result of Iraq invasion, the price of Army boots rises. [3]

**Cause:** Iraq invasion  $\rightarrow$   $DD \uparrow$ ,  $SS \rightarrow$

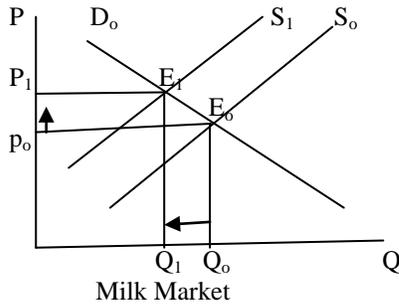
**Effect:**  $p \uparrow$ ,  $Q \uparrow$ .



3. The price of milk has been rising due to unusually hot summer weather which discourages milk production. (9/16/96, San Jose Mercury News). [3]

**Cause:** Hot summer weather which discourage milk production  $\Rightarrow$   $SS \downarrow$ ,  $DD \rightarrow$

**Effect:**  $p \uparrow$ ,  $Q \downarrow$



4. Higher chicken prices on the way as producers plan to cut supply by killing off mother hens. (3/23/96, San Jose Mercury News). [3]

**Cause:** Producers cut supply by killing off mother hens  $\Rightarrow$   $SS \downarrow$ ,  $DD \rightarrow$

**Effect:**  $p \uparrow$ ,  $Q \downarrow$

