

Economics U\$A – Supply & Demand

California Drought

In the early years of the California drought, what was the average reaction to the lack of rain? As the drought wore on, how did it start impacting the day-to-day life of residents in California?

The residents of Marin County has their water allotment slashed. How did they respond to the reduction in supply?

Once the drought ended and time passed, how did consumption of water compare to before the drought? How does this reflect the concept of “marginal utility?” (Richard Gill explains)

American Oil *(A classic example of the back and forth of supply and demand)*

With crude oil selling for approximately the same amount over two decades, why is it not surprising that oil exploration/production decreased so severely?

What caused the U.S. oil industry to rebound *after world prices went up*? What was the incentive to start drilling?

Once price controls were applied to domestic oil, and Iran curtailed supply, what was the result to the consumer?

...And when price controls were dropped – how did domestic producers of oil respond?

Finally – in 1985 producers were producing so much oil that there was a glut. What happened to the price as a result?

Designer Jeans

Jordache was turned down by many department stores. How did they solve their problem and get people to buy their jeans? Essentially – how were they able to shift demand to the right?

How did advertising help boost the **utility** of jeans? Why were they “different” than before?