

## Global Economic Policy Council

Simply Delicious!

*A Country Wants to Understand the Economics of their Latest Sweet Treat*

### SCENARIO

Get ready for the most delicious mission of your career. Something interesting is happening in the country of Valoria, and the leaders of that nation have reached out to us to help them understand the economic implications of it.

Valorian farmers are renowned throughout the world for their agricultural crop breeding techniques. Specifically, these farmers like to combine various fruit and vegetable groups to create some delicious new foods. This past year, the farmers might have created their tastiest offering yet. By mixing together genes from various species of berries, they have developed a completely new type of fruit. They have dubbed it the “Valorian Candyberry”.

The Valorian government sent a bushel of the candyberries to the Council. Let me tell you, these things are amazing! They are a completely natural fruit, but they taste just like the sort of candy you would buy in a vending machine. These farmers are geniuses!

The candyberries are going to be a big hit, and the Valorians have asked for the Council’s help in assessing the potential market in Valoria for this new treat. We have already sent some of the Council’s market analysts to the country to collect some market demand data for the berries:

Valorian Market Demand Valorian Candyberries	
Price per Bushel (\$)	Quantity Demanded (in thousands)
30	10
25	30
20	55
15	75
10	100
5	130

### Your Mission Assignment

Using this market data, we need you do some economic analysis on these candyberries. Please complete the following:

1. Review Chapter Four.
2. Evaluate the economic concepts of demand and the law of demand. Examine demand curves and what can make them shift.
3. **Complete** the following tasks:

- a. Using the market data presented to you, **create a demand curve** of the overall market demand for Valorian candyberries. Be sure to properly label your horizontal axis and vertical axis.
- b. **Review** the following hypothetical economic events individually and **describe** how they would cause a positive change in demand or a negative change in demand for candyberries. On your **demand curve chart, show graphically** what the events below would do to candyberry demand.
  - i. A competitor berry from a neighboring country has become cheaper in price for Valorians.
  - ii. Valoria’s most famous celebrity recently declared his love for candyberries in a news interview, causing the fruit to become more popular.

Grading Rubric – This assignment is worth 50 points.

Demand Curve Chart (35pts)	Short Answer Response (10 pts)	Mechanics (5 pts)
<p>Demand curve chart accurately depicts the market data for candyberries</p> <p>Graph the negative and positive changes in demand on the demand curve chart</p> <p>Horizontal and vertical axis are properly marked</p>	<p>Student clearly explains their reasoning regarding why demand would decrease and increase in hypothetical economic responses.</p>	<p>All written responses are written in complete sentences</p>