Worksheet 12.3

AD/AS Headlines Activity

This worksheet is all about diagram practice. There’s so much analysis tied up with economics diagrams that it’s critical to be practicing them as if they were your ABCs or multiplication tables. In this exercise, you are given several plausible headlines from the news. Your task is to create an appropriate diagram for each. Be sure to use the appropriate notation and to demonstrate the change caused by the event.

1. ‘Decades of Mexican immigration transforms the capacity United States economy.’

2. ‘Croatian house price drop for the third straight year.’
3. China’s trading partner Japan endures another 3 months of excellent GDP growth.

4. ‘Colombia’s business leaders have low profit expectations for coming year.’
5. ‘Sustained investment in trade infrastructure has paid off for Singapore.’

6. ‘EU Times: New political crisis in the Middle East causes oil prices to soar.’
7. ‘China’s loose monetary policy seen to influence big spending by consumers this New Year.’