

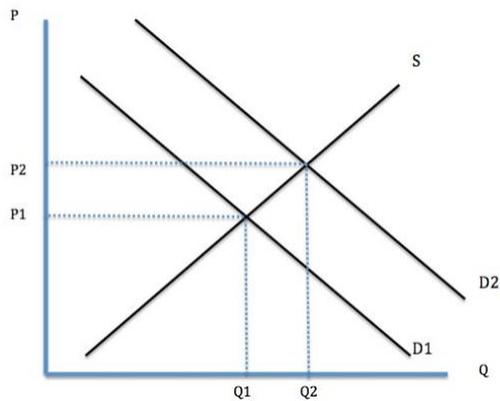
Question #67712, Economics / Economics of Enterprise

Using properly labelled diagrams illustrate what will happen to the equilibrium price and quantity of muesli (ceteris paribus), in the following scenarios;

1. Research has shown that muesli is good for the heart;
2. The ongoing drought has affected grain (one of the ingredients for muesli) production.

Answer:

1. $P \uparrow$ $Q \uparrow$



2. $P \uparrow$ $Q \downarrow$

