

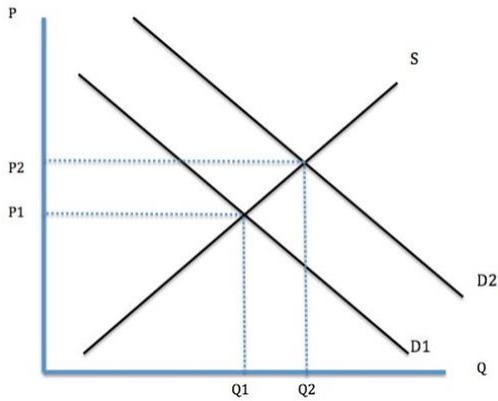
Question #67728, Economics / Microeconomics

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. $P \uparrow$ $Q \downarrow$

