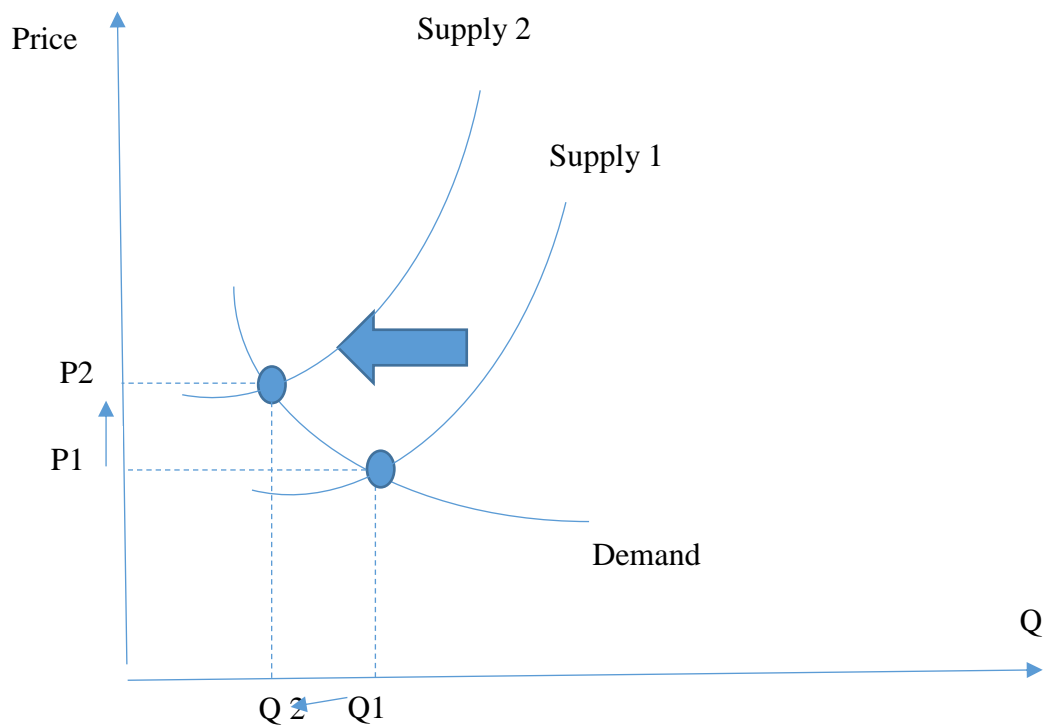


### Answer on Question #73844 -Economics - Microeconomics

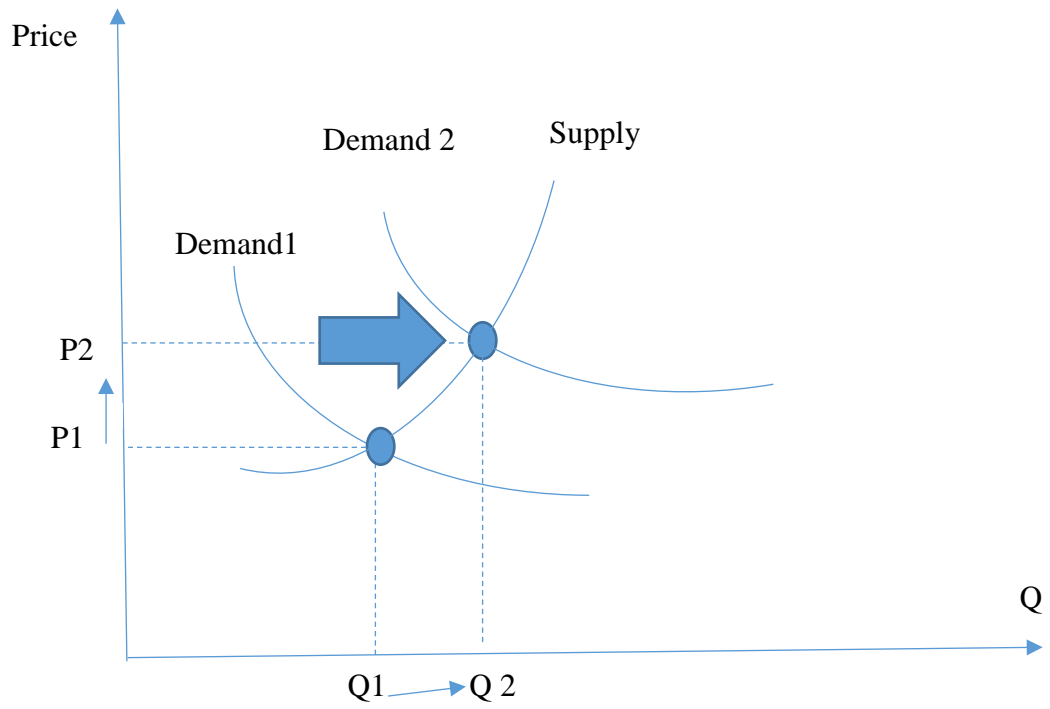
France and Italy are major producers of wine. Workers in France go on strike. Show the effect on the price and quantity of the market for French wine. Also, show the effect of the situation on the price and quantity of the market for Italian wine. Explain in words and graphically.

Answer.

The supply of French wine decreases, equilibrium price increases, equilibrium quantity decreases.



Italian wine is substitute of French wine, so the demand for it increases, equilibrium price and quantity increase.



Answer provided by <https://www.AssignmentExpert.com>