IB Eco	nomics: Student workpoints from chapter 4, 1	0 points. Name: Period/date:	
<b>Student workpoint 4.1: Be a thinker—illustrate and explain</b> Using fully labeled diagrams, illustrate what will happen to the equilibrium price and quantity in each of the situations below, and then explain what has happened.			
1.	There has been a health scare relating to the objection Diagram	consumption of chicken. <u>Explanation</u>	
2.	There has been an increase in the costs of pro	duction in the motorcycle industry. <u>Explanation</u>	
3.	There has been an improvement in productio <u>Diagram</u>	n technology in the textile industry. Explanation	
4.	Manufacturers in the sportswear industry has shoes. <u>Diagram</u>	ve decided to raise the price of training  Explanation	

## Student workpoint 4.2: Be a thinker—illustrate, explain, and suggest solutions

A government wishes to keep the cost of cheap rented accommodation low in a city, by imposing legal maximum rents on properties of a certain size. In doing this, they aim to:

- provide low-cost rented accommodation for people on low incomes
- provide more rented accommodation for people on low incomes.

1.	Draw a diagram to show the effect of the maximum rent legislation on the market for rented accommodation.
2.	Explain the situation facing those people who rent out their properties.
3.	Explain the situation facing those people who wish to rent properties.
4.	Suggest measures that the government might take to ensure that they achieve both of their stated aims above.

## Student workpoint 4.3: Be a thinker—illustrate and explain

A government wishes to increase earnings for those workers who are on low wages, by introducing minimum wage legislation in order to raise wage levels above the equilibrium wage. In doing this, they aim to:

- ensure higher wages for low-paid workers
- increase the number of workers employed.

1.	Draw a diagram to show the effect of the minimum wage legislation on the market for low-paid workers.
2.	Explain the consequences of the minimum wage for the workers.
3.	Explain the situation facing the employers.
4.	Suggest measures that the government might take to ensure that they achieve both of their stated aims above.