

Your take-home essay questions are based on the news article “Wool is Cool Again and Prices are Shear Madness,” written by Lucy Cramer of the Wall Street Journal February 23, 2018.

Your assignment is to answer the following questions based on information provided in the article. You may use as references the article obtained from the library, your textbook, and your class notes.

1. What has happened to the demand for wool? Which of the key determinants of demand appears to be responsible for this change in demand? Please provide quotes or information from the article to support your answer.
2. What has happened to the supply of wool in recent years? Which of the key determinants of supply appears to be responsible for this change in demand? Please provide quotes or information from the article to support your answer.
3. Based on your answers to Parts 1 and 2, what will happen to the equilibrium price of wool? Is it possible to know what happened to the equilibrium quantity of wool without more information? Explain.
4. Attach a graph to your answer sheet showing the shift in demand for wool and the shift in supply of wool based in the information in the article. Use arrows to show what happens to equilibrium price and equilibrium quantity based on your diagram.

Obtaining the Article

Go to the library web site using your student portal. Type or paste the full title of the article in the search box and follow the prompts. I found the article very quickly. Click on the box for article and print or save using article format. Let me know immediately if you have trouble obtaining the article.

Requirements

Your answers to the three questions should be on longer than one page. Please double space and use a 12-point font. Your diagram should be attached as a separate sheet.

The essay is worth *35 points*. I will assign a maximum of *10 points* for each of the three questions and a maximum of *5 points* for the graph.