



The Market for Chocolate

- 1.) Use the table below to construct a supply and demand diagram for the market for a bar of Cadbury's Dairy Milk by drawing a graph with the vertical Axis (Y) being price and the horizontal Axis (X) being quantity and a line for supply showing price and quantity and similarly a line for demand showing price and quantity for each set of figures as shown below. Label supply as S1 and demand as D1. **From where the lines cross you can work out the price they will charge and the quantity they will sell.** What are these values? (Label as P1 and Q1 on the diagram and put your answers in the box below) (4 marks)

P1 =		Q1 =	
------	--	------	--

PRICE (pence)	QUANTITY SUPPLIED (millions)	QUANTITY DEMANDED (millions)
20	100	1000
40	200	900
60	300	800
80	400	700
100	500	600
120	600	500
140	700	400
160	800	300
180	900	200
200	1000	100

- 2.) Since these figures were completed, the price of cocoa has risen substantially. Therefore, Cadbury's has decided to cut production (reduce supply) by 10%. Draw the new supply curve on your diagram labelled S2. What is the new price and quantity of Dairy Milk in the market? (Label as P2 and Q2 on the diagram and put your answers in the box below) (4 marks)

P2 =		Q2 =	
------	--	------	--

- 3.) A recent advertising campaign is predicted to increase demand for Cadbury's Dairy Milk by 20%. Draw on your graph the predicted demand curve (label as D2). What is the new price and quantity of Dairy Milk in the market? (Label as P3 and Q3 on the diagram and put your answers in the box below) (4 marks)

P3 =		Q3 =	
------	--	------	--

- 4.) As a result of these changes, the price has risen from P1 to P3, and the quantity has risen from Q1 to Q3. Using your answers from questions 1 and 3, please calculate the percentage increase in both price and quantity because of these two changes. Please give your answers to 2 decimal places and put them in the box below **(4 marks)**

% change in P		% change in Q	
---------------	--	---------------	--

Calculations

- 5.) Please read the following passage, and then complete the sentences in the boxes below it **(6 marks)**

Tesco and Sainsbury's have said they will ditch multibuy deals on junk food later this year, despite a recent government U-turn on bringing in a ban. The government had been due to restrict the advertising and promotion of multibuy deals on foods high in fat, salt or sugar (HFSS) this year, but announced earlier this month it had delayed the plans because of the cost of living crisis. In England, almost two thirds of adults and one third of children leaving primary school are classed as overweight or obese, and for years health experts have been calling on the government to restrict cheap junk food deals, which are often prominently placed in stores. The planned restrictions were part of the government's obesity strategy, announced in 2020. They were due to come into force in October 2022 but will now be delayed until at least October 2023. The aim was to encourage retailers to offer better deals on healthier foods, like fresh fruit and veg, rather than 'buy one get one free' and 'three for two' deals on crisps, chocolate, biscuits and fizzy drinks.

As energy and food prices soar, many are experiencing an unprecedented squeeze on household income, which is why the government says it has delayed the ban. Critics of the ban, including the industry-funded Food and Drink Federation, say it is unfair to limit deals because doing so will only add to the burden of rising food prices. But a raft of experts and charities have slammed the decision to delay action, saying the government has 'thrown away' an opportunity to protect children's health. The charity Food Foundation said junk food promotions were a 'false economy.' '81% of people told us [when surveyed] that they would like to see promotions on fruit and veg, dairy, pasta and rice, rather than junk food – promotions that would actually help save people money on their core food shop,' said Isabel Hughes, the charity's policy engagement manager.

The UK government wants to ban multibuy deals on junk food **BECAUSE...**

The UK government wants to ban multibuy deals on junk food **BUT...**

The UK government wants to ban multibuy deals on junk food **SO...**

Please complete these questions and return to your teacher in your first lesson in September.