**JC 1 Economics Tuition – demand and Supply**

**Classwork – lesson 3**

**Essay Question 1**

**2010 marked a trying time for the airline business. The eruption of the Icelandic volcano caused cancellations of 95,000 flights over Europe. One week later, the BP oil well exploded in the Gulf of Mexico, resulting in the worst oil spill in US history.**

**Using economic analysis, discuss the likely impact of the above events on the airline industry and related markets. [25]**