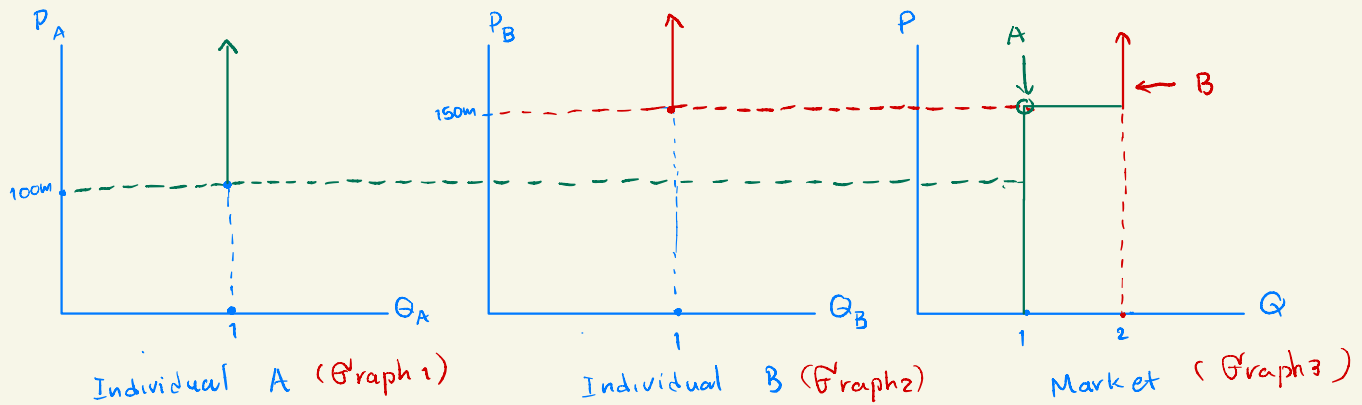


**HW 3 Due Thursday, February 11, 2021**

1. Suppose that it is legal to sell one's kidney. What is the individual supply of kidney of a person who wants to sell his kidney? Does the market supply respond with a higher quantity supplied if the price of kidney increases?



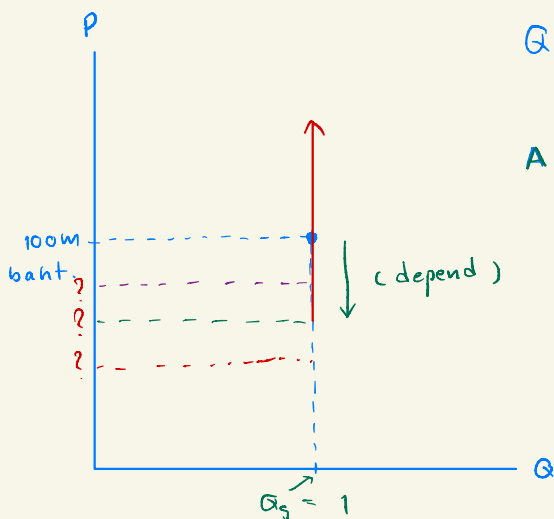
At first, the supply curve of each individual will occur at the minimum prices, as vertical supply curve. Therefore, at any prices above minimum price, there is existed of supply.

Q: Does the market supply respond with a higher quantity supplied if the price of kidney increases?

A: Yes, because if individual A try to sell his/her kidney more expensive than individual B the supply will equal to zero.  $\therefore$  changed in quantity supply will shape the curve of the market's function. like, graph 3.

the price of kidney increases.

2. Let A be a person who is willing to sell one of his kidney so that his supply of kidney is vertical at  $Q_S = 1$  with any price at least 100 million baht. If A's supply of kidney increase, how would his Supply curve change?



Q: If A's supply of kidney increase, how would his Supply curve change?

A: Supply curve will move down vertically, In fact, in order to increase supply with only 1 unit of quantity, the seller have to decrease his/her price. Because higher supply mean higher demand for selling. The supply curve will move down for how much is depend on the sellers. So, In this case if seller's supply increases, he/her have to decrease price below 100 m baht.