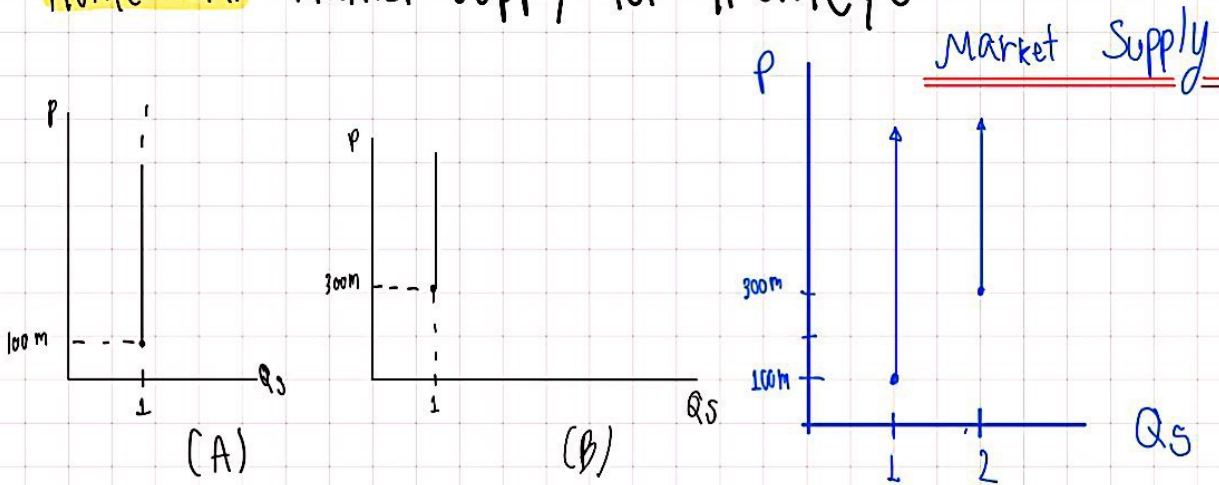


Homework: market supply for kidneys



These Market supply graph showing that at a price equal or greater than 100m there is only one seller want to sell a kidney, therefore the quantity of supply is 1, however, at a price 300m or more, two seller willing to sell kidneys. Consequently the quantity of supply increased to two

Homework: HAS D + S increases in Extreme cases

Extreme case of Demand ①

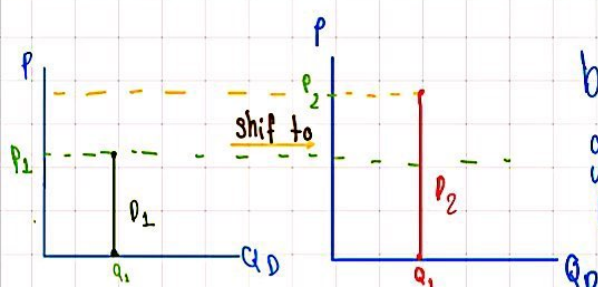
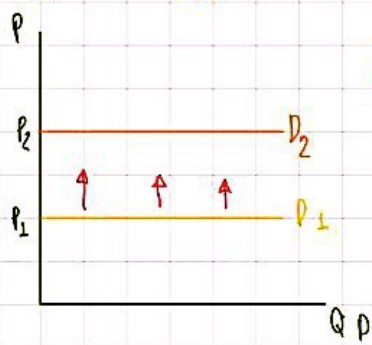


Figure D_1 is showing that at price P_1 or below consumer willing to buy particular goods for Q_1 quantity but due to some factor D_1 can shift to D_2 . At D_2 consumers are willing to pay for the same quantity of goods at a higher ceilings price.

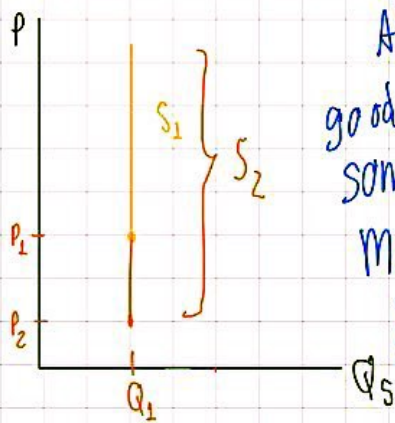
Extreme Case of Demand (2)



The graph shows a relationship between price and quantity of Demand of a particular goods. At P_2 , the quantity of Demand is ∞ when the price are equal or lower than P_2 .

In some situation such as increasing in number of buyer or consumer income the graph can shift from D_1 to D_2 which mean that consumers are willing to pay more money for these goods.

Extreme Case of Supply (1)



At S_1 , seller are willing and able to sell a particular good for Q_1 quantity at price higher than P_1 but for some reason such as inputs price are lower which mean seller can produce same amount of goods at lower cost so lower the cost still gain the seller more profit. Therefore supply curve shift from S_1 to S_2 .

Extrem case of supply (2)



This graph represents a relationship between Price and quantity of supply, At S_2 the quantity of supply are ∞ when the price are greater than P_2 . S_1 can shift to S_2 because of some factor that can shift the supply curve such as

improvement in technology which make seller can produce more product in a lower cost. Lower the price make them more profit.