Supawit 6304641498

HW#6 Due March 4, 2021

$Q_s = 38{,}000$

9. At Fenway Park, home of the Boston Red Sox, seating is limited to about 38,000. Hence, the number of tickets issued is fixed at that figure. Seeing a golden opportunity to raise revenue, the City of Boston levies a per ticket tax of $5 to be paid by the ticket buyer. Boston sports fans, a famously civic-minded lot, dutifully send in the $5 per ticket. Draw a well-labeled graph showing the impact of the tax. On whom does the tax burden fall—the team's owners, the fans, or both? Why?
10. A market is described by the following supply and demand curves:

$$Q^S = 2P$$
$$Q^D = 300 - P$$

a. Solve for the equilibrium price and quantity.

b. If the government imposes a price ceiling of $90, does a shortage or surplus (or neither) develop? What are the price, quantity supplied, quantity demanded, and size of the shortage or surplus?

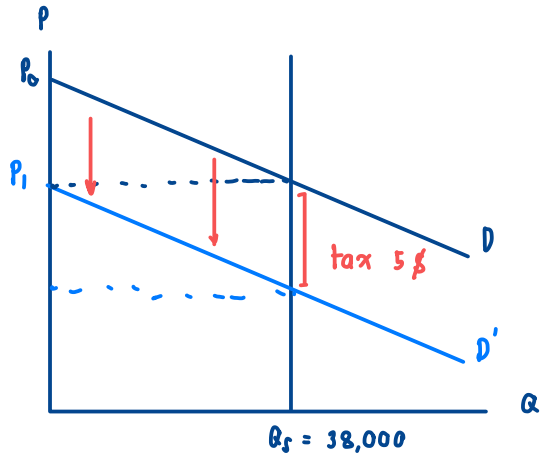
c. If the government imposes a price floor of $90, does a shortage or surplus (or neither) develop? What are the price, quantity supplied, quantity demanded, and size of the shortage or surplus?

d. Instead of a price control, the government levies a tax on producers of $30. As a result, the new supply curve is:

$$Q^S = 2(P - 30).$$

Does a shortage or surplus (or neither) develop? What are the price, quantity supplied, quantity demanded, and size of the shortage or surplus?

(9) $Q_S = 38{,}000$



tax burden will impact to team's owners because team's owners have to reduce price in order to sell ticket with the same amount of 38,000.

(10)

$$Q^S = 2P$$
$$Q^D = 300 - P$$

a. Eq. price and quantity

find P

$Q_S = Q_D$

$2P = 300 - P$

$P = 100$

find Q

$Q_S = 2P$

$Q_S = 200$

b Pmax will below the eq. price ! shortage!

find Q_D

$Q_D = 300 - P$

$Q_D = 300 - 90$

$Q_D = 210$

Q_S

$Q_S = 2P$

$Q_S = 2(90)$

$Q_S = 180$

$\therefore$ $Q_D > Q_S$ excess demand

$\therefore$ There is a shortang in Q_S 30 units.

C. $P_{min} = 90$ $. At eq. price there is the same amount of quantity, so that there is no shortage and surplus in this case.

D. gov. levies tax on producer 30 $

$Q_S = 2(P-30)$ $Q_D = 300 - P$

At Eq $Q_D = Q_S$

$300 - P = 2P - 60$

$P = 120$

$Q_D = 300 - 120$

Q_D and $Q_S = 180$

Eq (180, 120)

∴ surplus and develop will not occur.