

# ANSWERS.

EE211 Section 1 Quiz 2 (Submit in class)

Name \_\_\_\_\_ Last 4 digits ID \_\_\_\_\_

Answers the following questions with full explanation and graphs.

The market for pizza has the following demand and supply schedules:

Price	Quantity Demanded	Quantity Supplied
\$4	135 pizzas	26 pizzas
5	104	53
6	81	81
7	68	98
8	53	110
9	39	121

a. Graph the demand and supply curves. What are the equilibrium price and quantity in this market?

b. If the actual price in the market were **above** the equilibrium price, what would drive the market toward equilibrium? **Excess supply or surplus → reduce Price**

c. If the actual price in the market were **below** the equilibrium price, what would drive the market toward equilibrium? **Excess demand or shortage → increase price.**

