

HW 3 Due Thursday, February 11, 2021

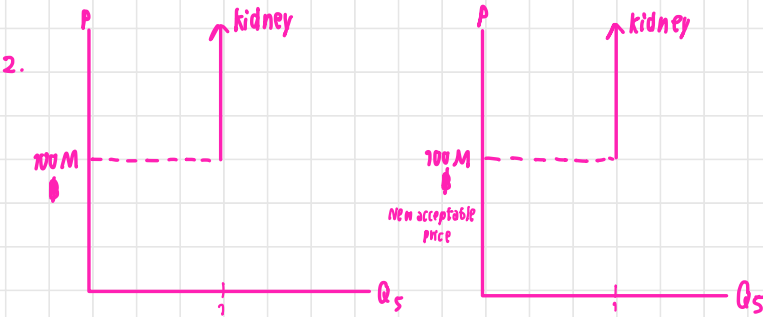
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- Suppose that it is legal to sell one's kidney. What is the individual supply of kidney of a person who wants to sell his kidney? Does the market supply respond with a higher quantity supplied if the price of kidney increases?
- Let A be a person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

1) individual supply have to be 1 due to the fact that it would be illegal if more than 1. The lowest price can be any because of the willingness that sell of seller. If the price become  $P_0$  the  $Q_S=0$  because the seller don't want to sell



if price increase market supply will increase too. Meaning that the price is increase it reach more willingness of people that willing to sell it more. people want to sell it mean more supply



If the supply (willing to sell) increase because of the quantity supply is fixed at 1 thus the seller should reduce the price to the new acceptable price which lower than 100 million  
 $\therefore$  he will easy to sell it.