

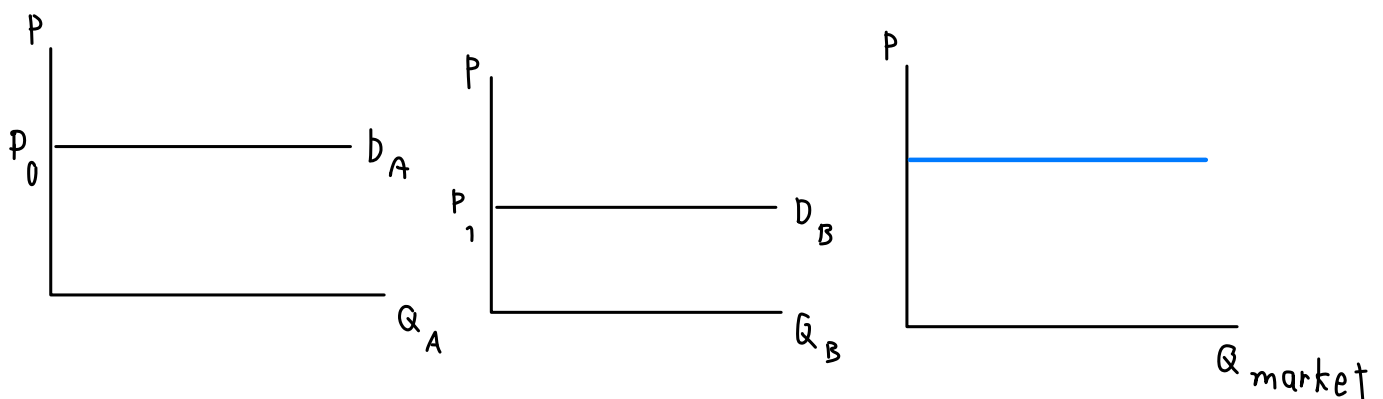
HW#5 Due Feb 3, 2022

1) How the demand increases in each of these extreme cases

A) Demand is horizontal

B) Demand is vertical

2) If individual demands of two consumers are horizontal but at different prices, what will be the market demand derived from these two consumers?



2) infinite quantity demanded \rightarrow infinite demand \rightarrow slope is undefined

1) A) demand cannot increase
because of the infinite quantity demanded at the given price.

B) quantity demanded remain the same whenever the price increases or decreases