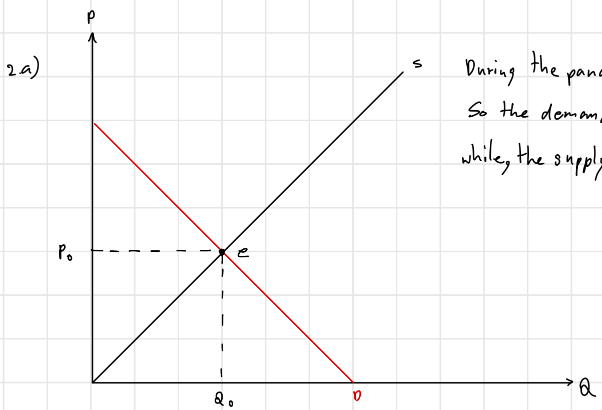
2. Assumed that a computer devices market is perfectly competitive, answer the following questions in detail.

2.a) Draw a graph showing that the computer devices market is in equilibrium at a certain original equilibrium price P_0 and equilibrium quantity Q_0 During the pandemic, many people are assigned to work from home and computer devices are crucial. Does the market demand or market supply of computer devices change? Explain.

2.b) After what happened in 2.a), at the original equilibrium price P_0 will there be excess demand or excess supply? Show the new market equilibrium and state the equilibrium condition. Does the pandemic cause the equilibrium price and quantity to increase or decrease?

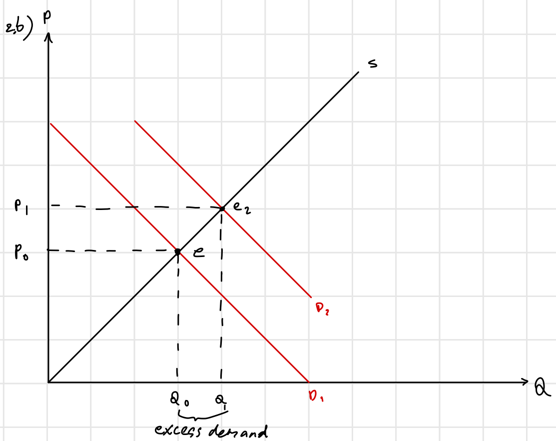
2.c) From the situation in 2.b), compare the consumer surplus and producer surplus in this computer market before and during the pandemic.

2.a)

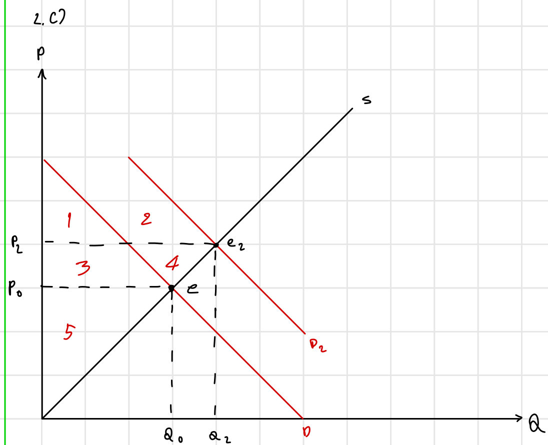


During the pandemic, people need more computer. So the demand of computer is increase while, the supply is constant.

2.b)



2. c)



	before	After	Diff
CS	1 3	1 2	-3 2
PS	5	345	3 4
total	135	12345	24
			dwl