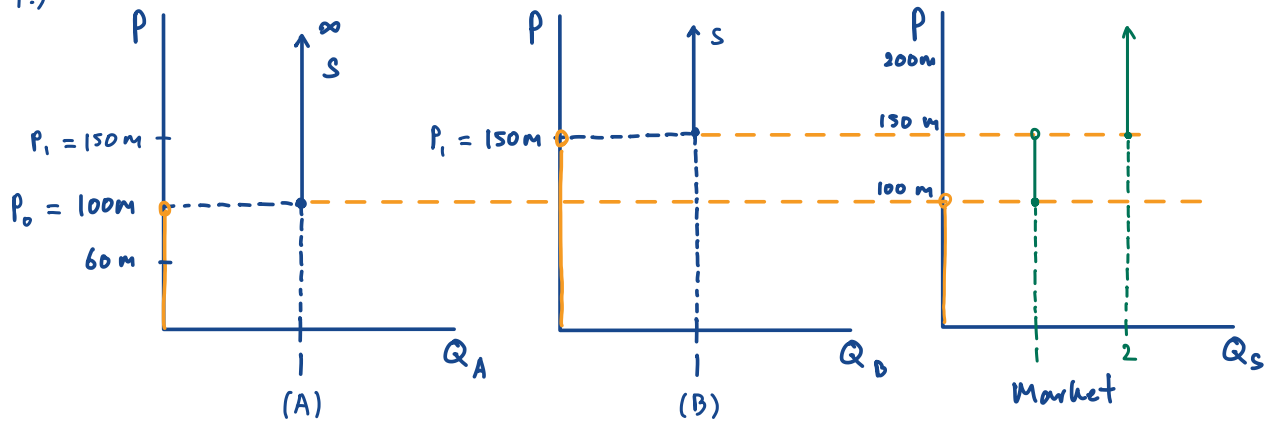


HW 3 Due Thursday, February 11, 2021

1. 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?

2. 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?

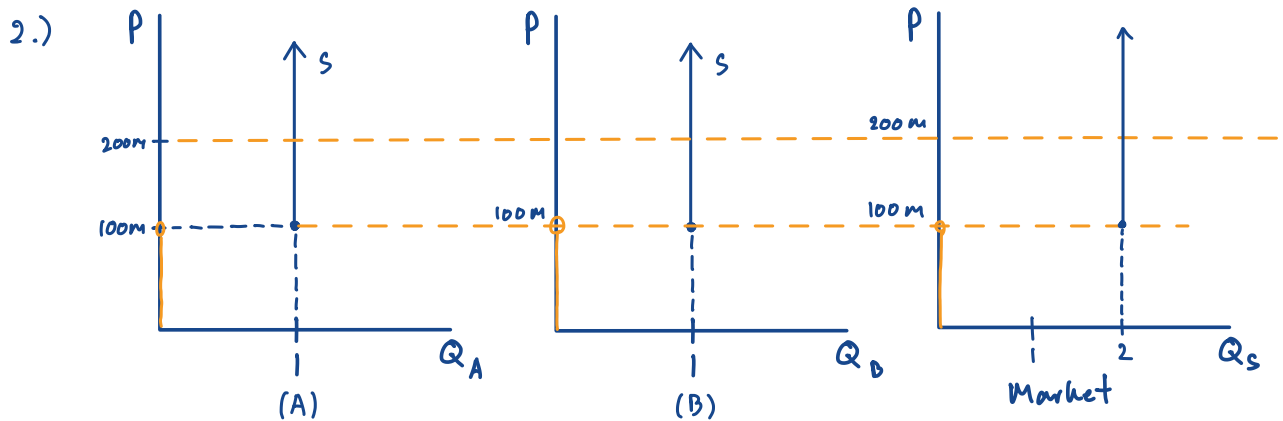
Ans. 1.)



The individual supply of a person who want to sell kidney . given start at $P_0 = 100m$

Higher price for kidney

\therefore If the price of kidney increases, Q_s of market supply will be higher.



If A's supply of kidney increase, the supply curve will start at 200 million baht.