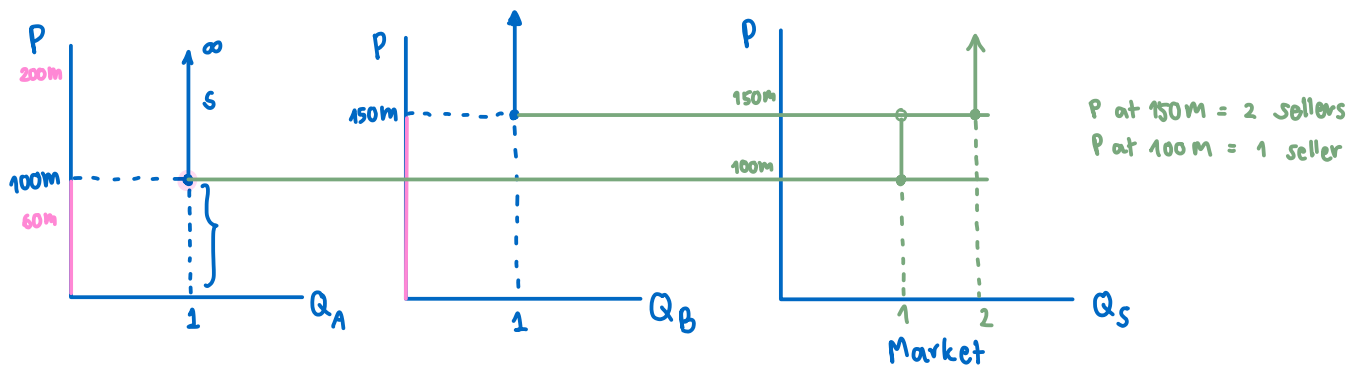


HW 3 Due Thursday, February 11, 2021

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?

1) The individual supply of kidney is 1 per person. The market supply will increase as the price increases because more people are willing to sell their kidneys



2) If A's supply of kidney increase (more willingness to sell), he will have a new lower acceptable price (less than 100 m) while his ability to sell is still 1 of his kidneys.

