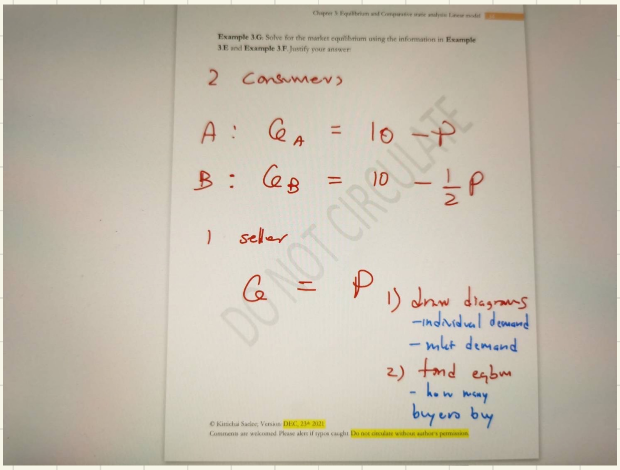
Kitanut Jinjetporn
6204641747


Example 3.G. Solve for the market equilibrium using the information in Example 3.E and Example 3.F. Justify your answer.

2 Consumers

A : $Q_A = 10 - P$

B : $Q_B = 10 - \frac{1}{2}P$

1 seller

$Q = P$

1) draw diagrams
- individual demand
- mkt demand

2) find eqbm
- how many buyers buy

2 consumers

A : $Q_A = 10 - P$

B : $Q_B = 10 - \frac{1}{2}P$

1 seller

$Q = P$

1.) draw diagrams – individual demand
– market demand

2.) find equilibrium – how many buyer buy

Sol

$Q_A = 10 - P \rightarrow P = 10$

$Q_B = 10 - \frac{1}{2}P$

$Q_B = 15$

$P > 10$; $Q_d = Q_A + Q_B$

$Q_d = (10 - P) + (10 - \frac{1}{2}P)$

$= 10 - \frac{1}{2}P$

$P \le 10$; $Q_d = Q_A + Q_B$

$Q_d = (10 - P) + (10 - \frac{1}{2}P)$

$Q_d = 20 - \frac{3}{2}P$

$P = 20 - \frac{3}{2}P$

$\frac{5}{2}P = 20$

$P = 8$