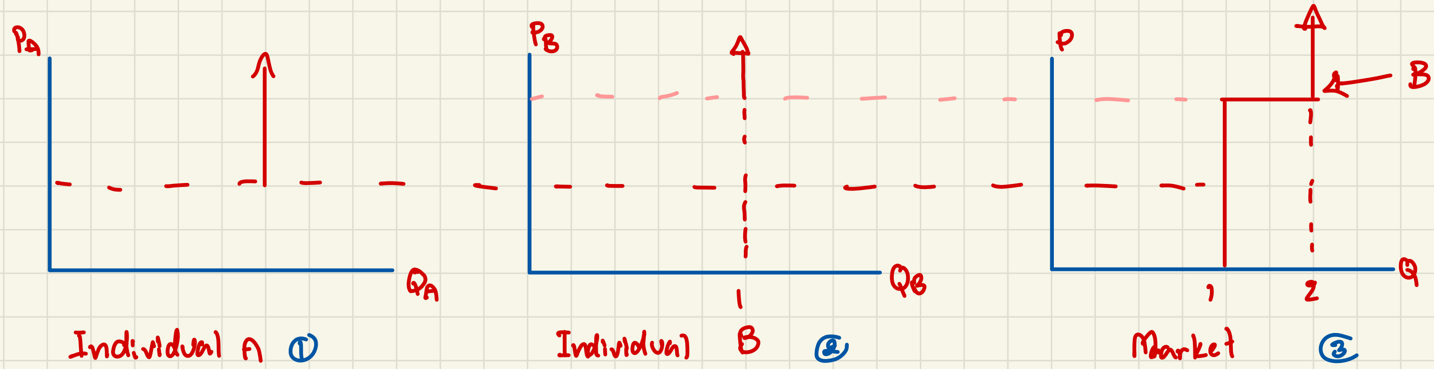
HW 3 Due Thursday, February 11, 2021

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?

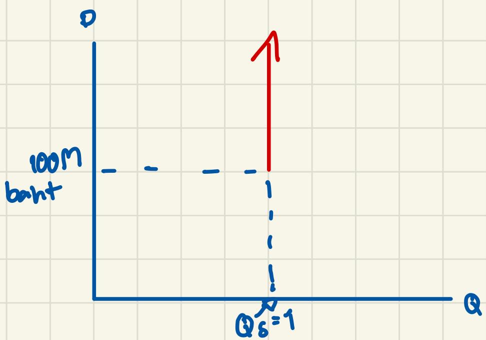


At the beginning, the supply curve of each individual will occur at the minimum prices, as vertical supply curve. Theredor, at any prices above min price existed of supply.

Q_1 : Ans - Yes, as if individual A try to sell his/her kidney more expensive than individual B the supply will shape the curve of the market function like, graph 3

6304641407 SHIN RUNUPHETVIPAVADEE

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?



Q1

Ans: Supply curve will not change, eventhough A's supply of kidney increases. Because there is a fixed quantity supply at $Q_S = 1$

which means that no matter the price increases, the quantity will probably be the same ☺.

6304641407 SHIN RUNGPHETVIPAVADEE