

HW#5 Due Feb 3, 2022

1) How the demand increases in each of these extreme cases

A) Demand is horizontal when price is below P_0 , consumers can buy at any quantity

B) Demand is vertical If the price changes, the quantity demand still remain the same (unchange)

2) If individual demands of two consumers are horizontal but at different prices, what will be the market demand derived from these two consumers?

