

HW 3 Due Thursday, February 11, 2021

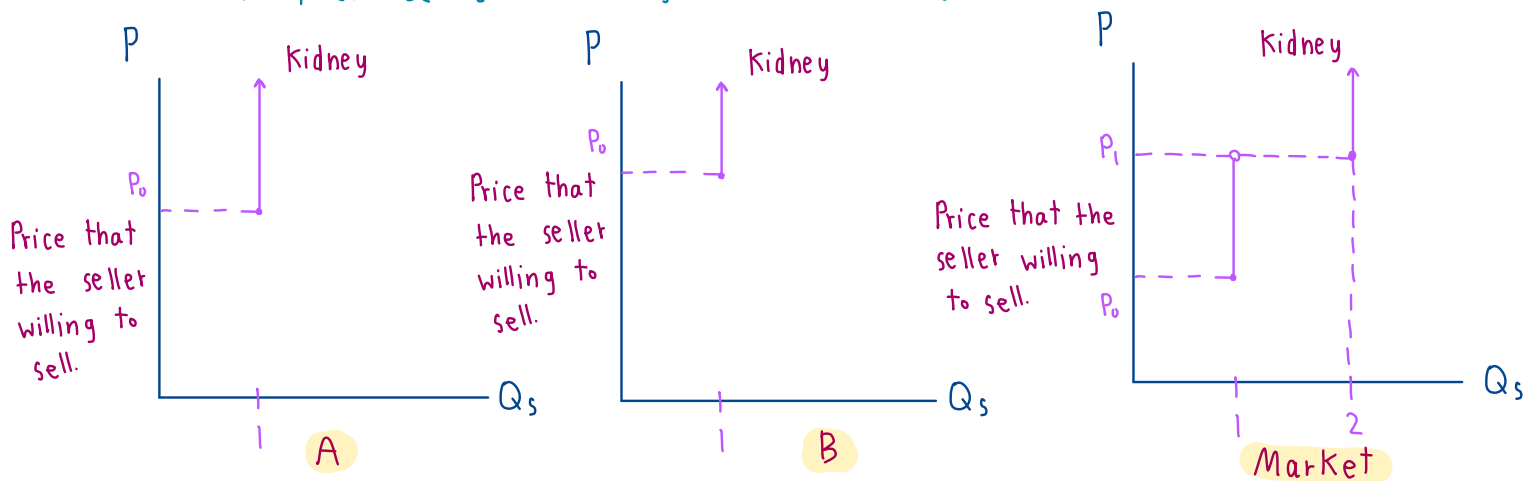
1. Suppose that it is legal to sell one's kidney. What is the individual supply of kidney of a person who wants to sell his kidney? Does the market supply respond with a higher quantity supplied if the price of kidney increases?

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?

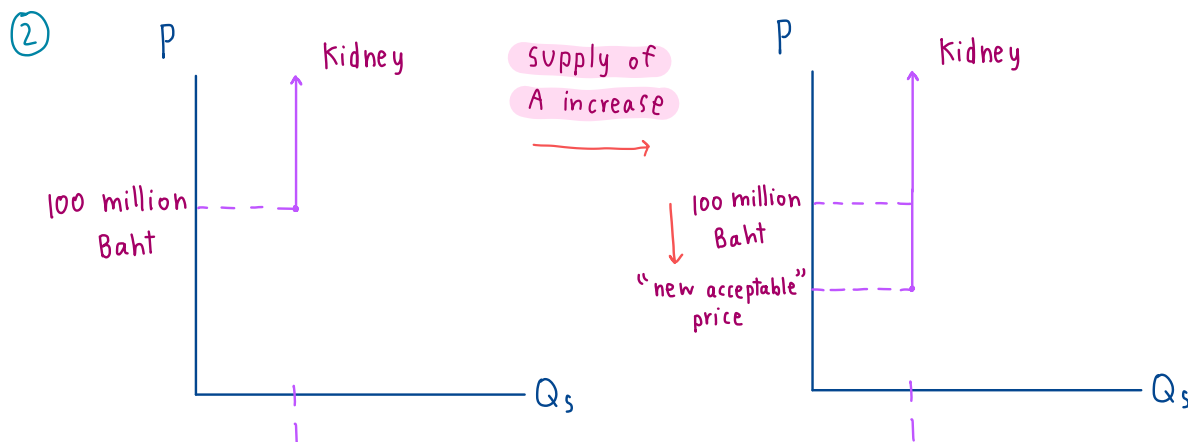
① Individual supply should be 1 because if more than 1 it would be illegal.

The minimum price can be any due to the willingness to sell of the seller.

If the price become P_0 the $Q_S = 0$ because the seller don't want to sell.



Of course, if price increase market supply also increase. This mean that furthermore the price is increase it reach more willingness of people that willing to sell it More people want to sell it also means more supply.



If the supply (willingness to sell increase), due to the quantity supplied is fixed at 1 so the seller should reduce the price to the new acceptable price that lower than 100m so he will be able to sell it easier.