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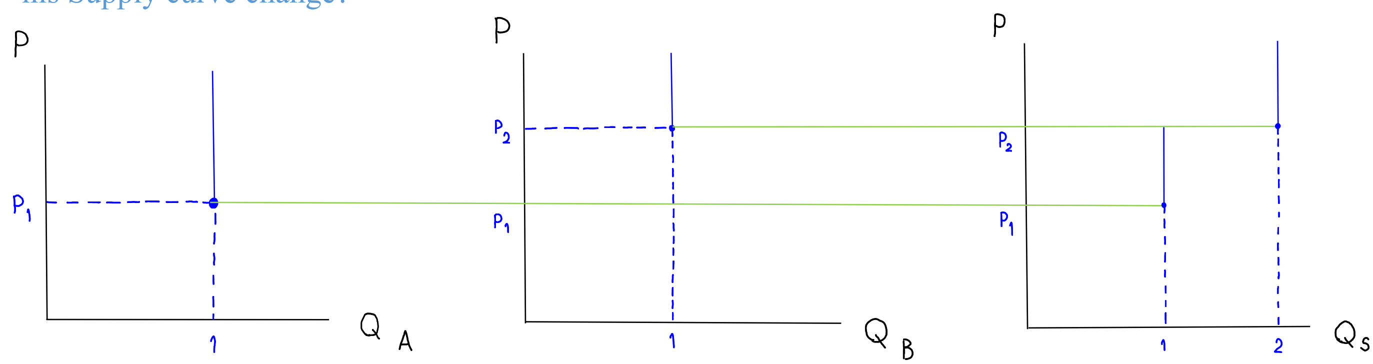
HW 3 Due Thursday, February 11, 2021

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?

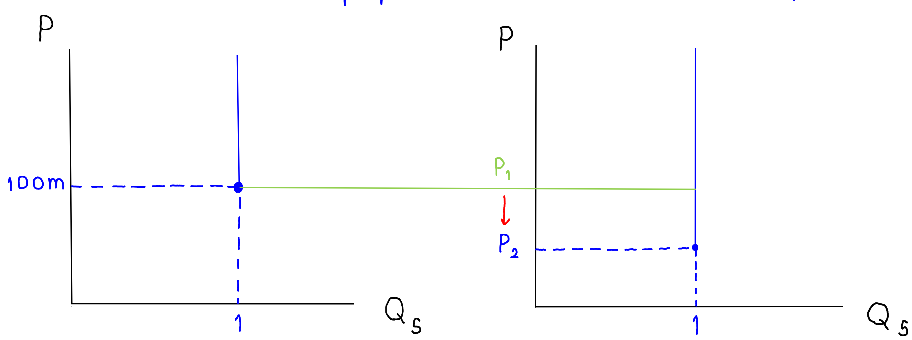
1.



(A) (B) Market

Yes, because when price increases, supply increases by the law of supply, in this case maybe in term of more people who are willing to sell their kidneys.

2.



If A's supply of kidney's increases, price will decrease since the supply increases so he is more willing to sell also can sell at a lower price.