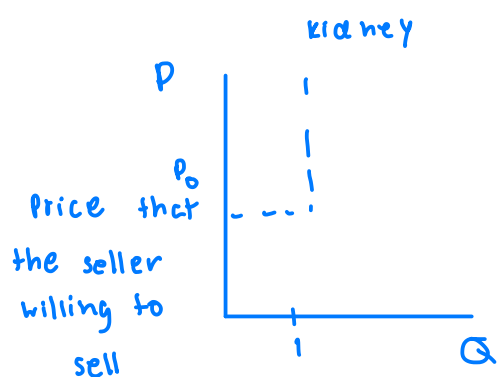


HW 3 Due Thursday, February 11, 2021

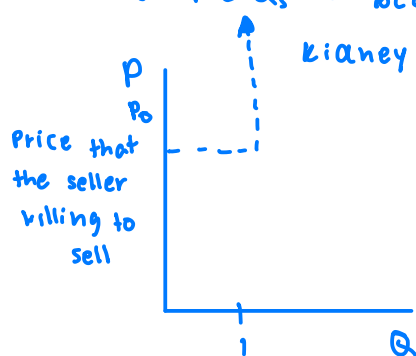
1. Suppose that it is legal to sell one's kidney. What is the individual supply of kidney of a person who wants to sell his kidney? Does the market supply respond with a higher quantity supplied if the price of kidney increases?

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?

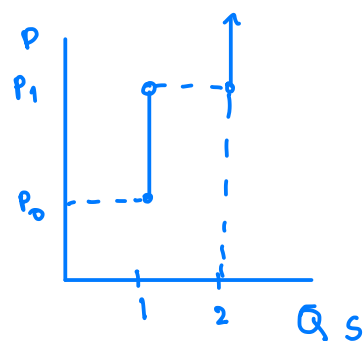
1.) Individual supply should be 1 because if more than 1 it would be illegal. the minimum price can be any due to the willingness to sell of the seller. If the price below P_0 the $Q_S = 0$ because the seller do not want to sell kidney



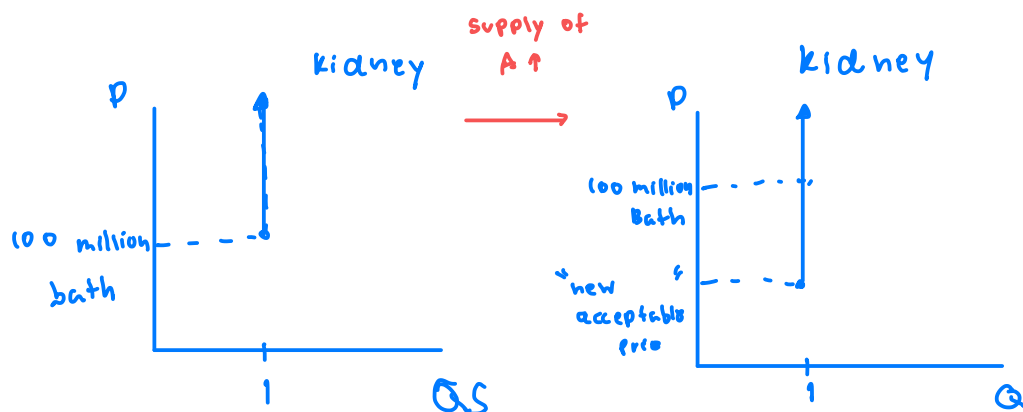
A



B



yes, if price increase market supply also increase. This mean that further more that the price is increase it reach more willingness of people want to sell it also means more supply



If the supply (willingness to sell increases), due to quantities 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.