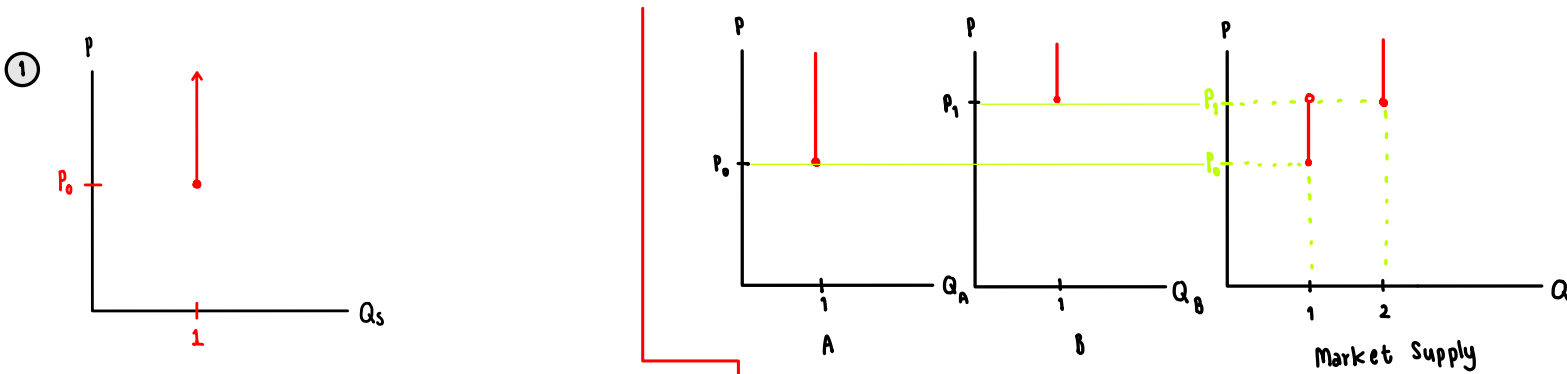


**HW 3 Due Thursday, February 11, 2021**

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?



• The individual supply of person who want to sell kidney is a vertical line. The price starts from  $P = P_0$  to infinity.

• Yes, if price of kidney increases, the supply will be higher and the quantity supplied of market supply will be higher.

②



Ⓐ

Quantity supplied = 1  
Price  $\geq$  100 million baht

Ⓐ new

If A's supply of kidney increases, he will be willing to sell his kidney at the lower price starting from less than 100 million baht.