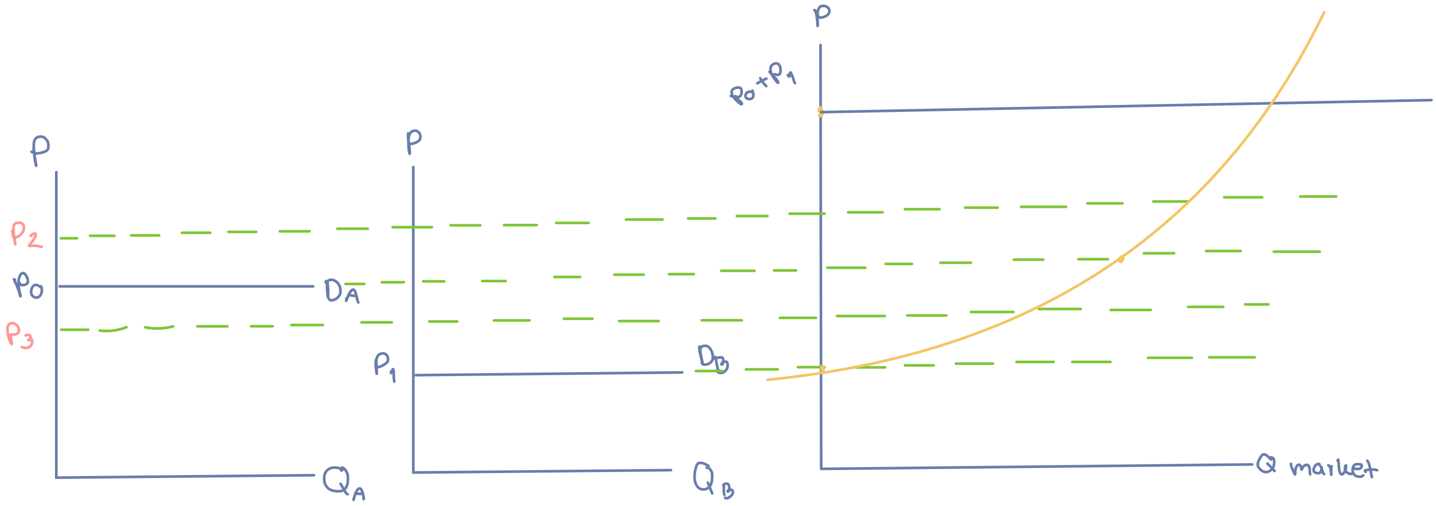
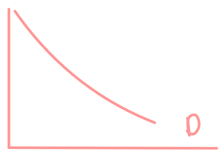
H.W

Question: If individual demands of consumers are all horizontal but at different prices, what will be the market demand?



HW How the demand increases in each of these extreme cases?

For horizontal, quantity demanded will increase to infinity. If reduce price, Q_D is also infinit. If we increase the price, Q_D will be 0.



For vertical, the different Q_D depends on the ability to buy. The Q_D will increase untill it reaches P_{max}. If they does not want, there will be no Q_D. The more higher price is, the less Q_D will be.

Q_D still decrease even they need it bsc of the ability to pay