Quiz 8

Your name and student ID number
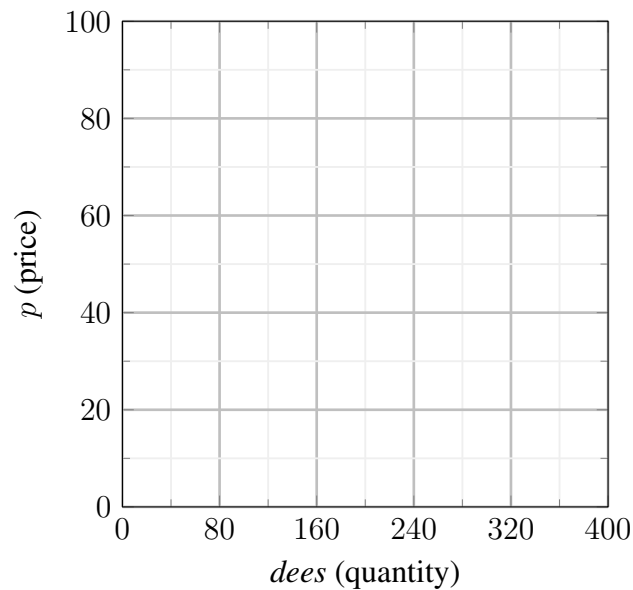

⇐ Name of the student on your left

Name of the student on your right ⇒

Quiz 8

The demand curve for *dees* is $D(P) = 400 - 4P$ and the supply curve $S(P) = 6P$.

- Draw the demand curve and the supply curve on the graph below.

- How much is the equilibrium market price?

- How much is the equilibrium quantity sold?

A quantity tax of $10 per unit sold is placed on *dees*.

- Draw the new supply curve, where the price on the vertical axis remains the price per unit paid by demanders.

- How much is the new equilibrium price paid by the demanders?

- How much is the new equilibrium price price received by the suppliers?

- How much is the new equilibrium quantity sold?

- How much is the deadweight loss due to this tax?

- On your graph, shade in the area that represents the deadweight loss.