

$$P_1 > P_E$$

$$Q_1^D < Q_1^S$$

surplus

$$P_2 < P_E$$

$$Q_2^D > Q_2^S$$

shortage

$$Q_1^D$$

$$Q_2^D$$

$$Q_E$$

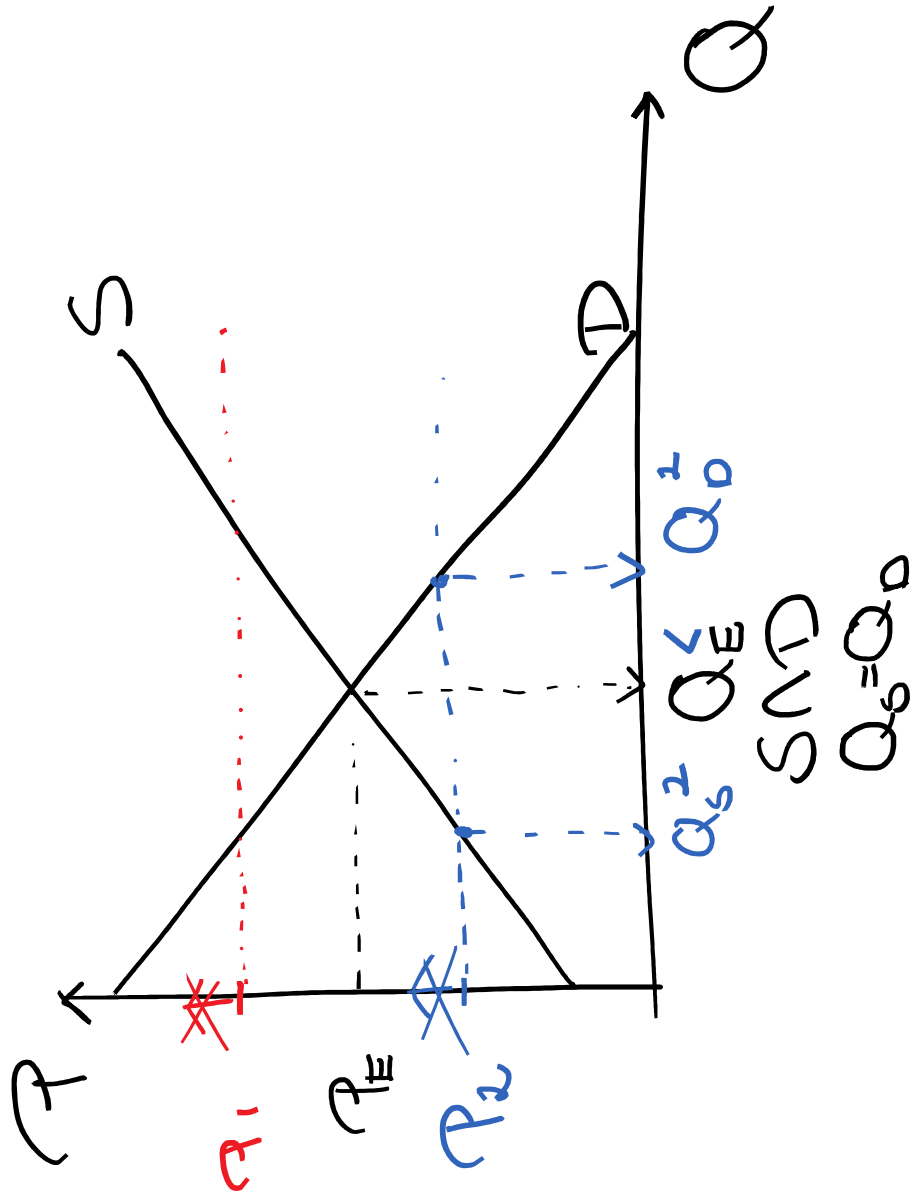
$$Q_2^S$$

$$Q_1^S$$

$$S \cap D$$

$$Q_S = Q_D$$

Price Control



Price ceiling = max P

$\rightarrow P_1$

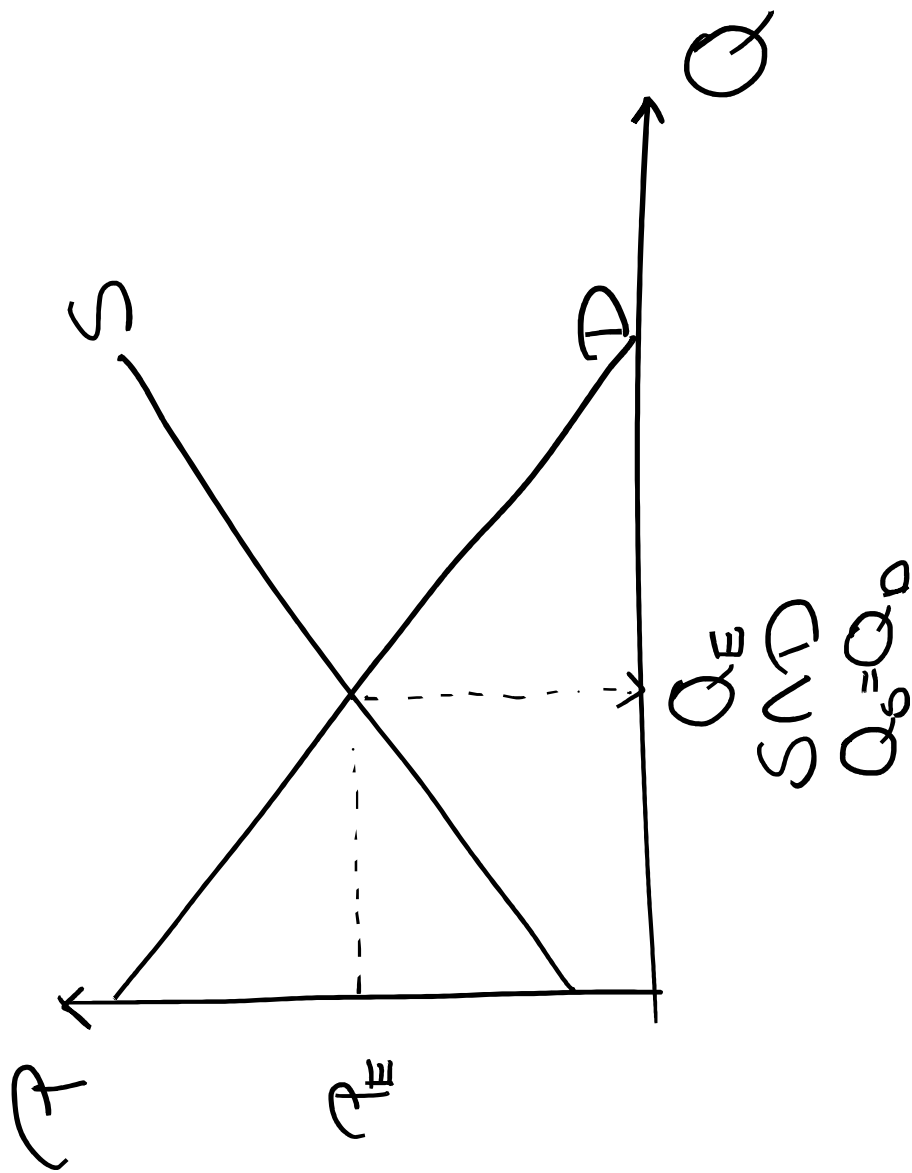
$\rightarrow P_E$

P_1 as P_{ceil}

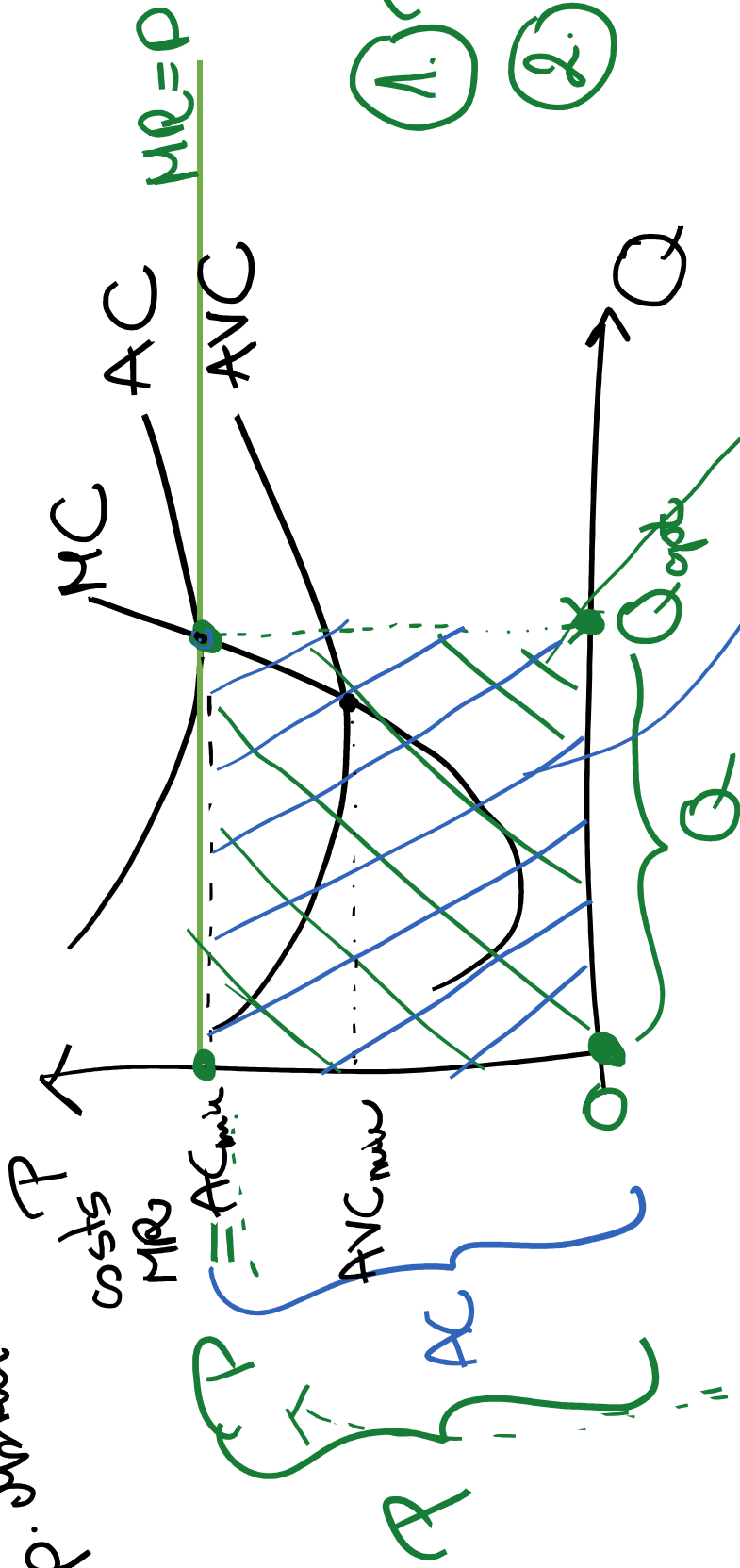
$\rightarrow P_2$

$\rightarrow P_2$

P_2 is binding



SR Model
Comp.



- ① $P = MR$
- ② $MR = MC$

$$\begin{aligned} & P > AC_{min} \\ & \boxed{P = AC_{min}} \\ & P < AC_{min} \\ & \vee \\ & AVC_{min} \end{aligned}$$

$$P = AVC_{min}$$

$$P < AVC_{min}$$

$$TR = P \cdot Q$$

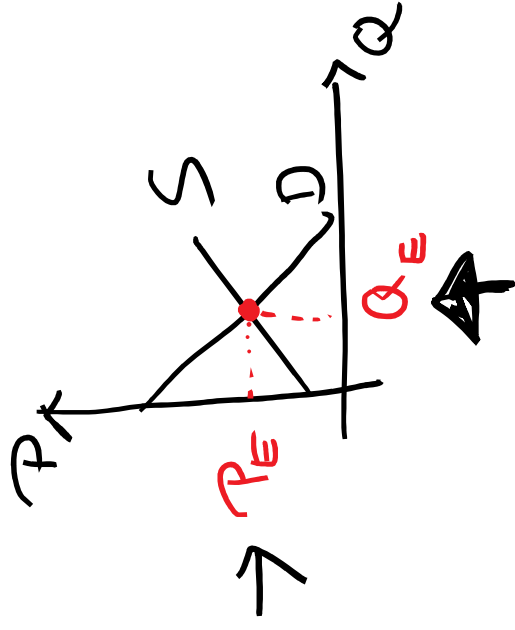
$$TC = AC \cdot Q$$

$$\pi = TR - TC = 0$$

$$D \quad Q = 1600 - 300P$$

$$S \quad Q = 1400 + 700P$$

$$P_E \quad Q_E = Q_S = Q_D \quad \underline{S \cap D}$$



$$Q = 1600 - 300P$$

$$1600 - 300P = 1400 + 700P \quad / : 1000$$

$$Q = 1400 + 700P$$

$$200 = 1000P \quad / : 1000$$

$$Q \cdot 2 = P_E$$

$$D \quad Q = 1600 - 300 \cdot 0.2 = 1540$$

$$S \quad Q = 1400 + 700 \cdot 0.2 = 1540$$

December

Tersedih Building
↑
(1st lesson)

January

TVK Building

