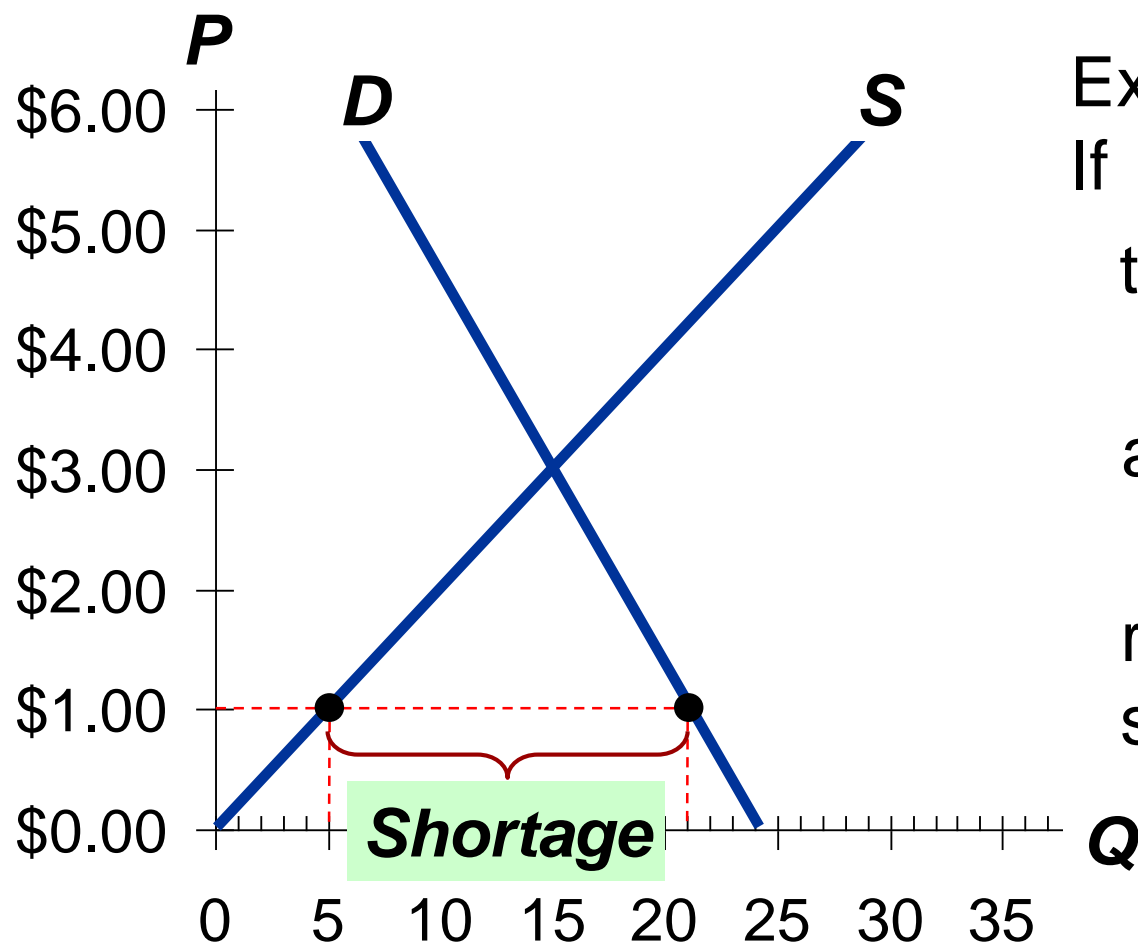


Shortage (a.k.a. excess demand):

when quantity demanded is greater than quantity supplied



Example:

If $P = \$1$,

then

$Q^D = 21$ lattes

and

$Q^S = 5$ lattes

resulting in a
shortage of 16 lattes