1.a)

b)

The equilibrium is 7 and the quantity of bread is 220.

2. At $10 the demand for bread will be low because the price is too high, therefore there will be an excess supply. In order to get more buyers, the price of bread will decrease.

3. the new equilibrium price is $5.4 and the new quantity is 251 bread.

4.a) If the price of peanut butter increase, the demand for bread will decrease.

If the price of croissant increase, the demand for bread increases.

If there is a storm coming, the demand for bread will increases.

b) if the cost of bread increase, the supply of bread will decrease.

If the technology become better, the supply of bread increases.

If the government subsidize the bread industry, the supply increases.

5. change in quantity supplied is a shift along the supply curve cause by a change of price.

New price cap, if the old price is higher than the new price cap the quantity supply will change.

Change in supply is a change in the relationship of price and quantity. The supply curve move right or left.

If the cost increase, the supply decrease.