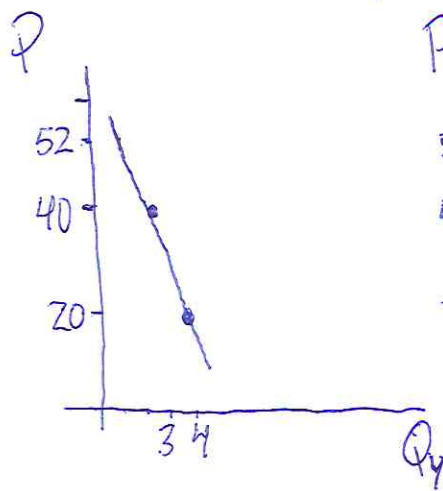
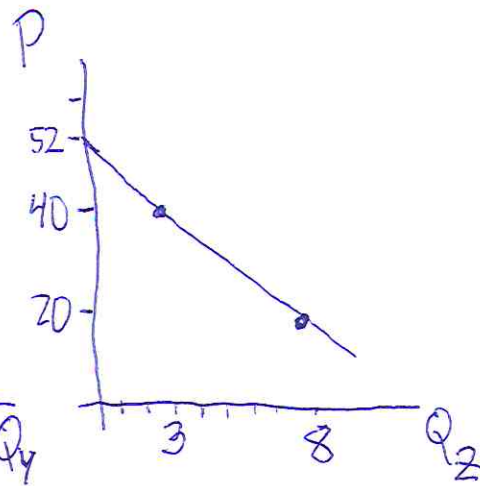


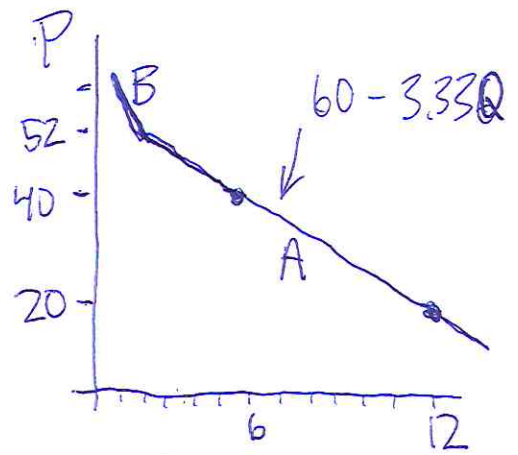
# Horizontal summation of demand



$$P = 100 - 20Q_1$$



$$P = 52 - 4Q_2$$



To sum demand ~~vertically~~ horizontally, rewrite in terms of  $Q$ .

$$Q_1 = 5 - .05P$$

$$Q_2 = 13 - .25P$$

$$Q_{\text{Market}} = Q_1 + Q_2 = (5 - .05P) + (13 - .25P) = (18 - .3P)$$

or

$$P = 60 - 3.33Q$$

When  $P = 40$ ,  $Q_{\text{Market}} = 6$

When  $P = 20$ ,  $Q_{\text{Market}} = 12$

But note: When  $P > 52$ ,  $Q_2 = 0$   
so

$$Q_{\text{Market}} = 5 - .05P \text{ if } 52 < P < 100$$

$$Q_{\text{Market}} = 18 - .3P \text{ if } P < 52$$

The curve has a kink at  $P = 52$