4   Equilibrium

Consider a market in which the supply function is

$$Q^s = -20 + 2p$$

and the demand function is

$$Q^d = 100 - p$$

(a) Use algebra to determine the equilibrium price and quantity in the market.

(b) Graph the supply and demand curves on the axis below. Be careful about graphing the intercepts and the equilibrium point correctly. Label both curves.