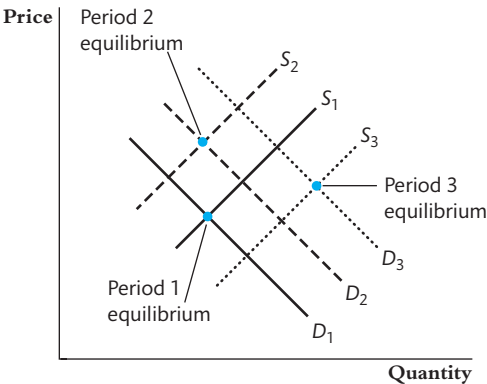


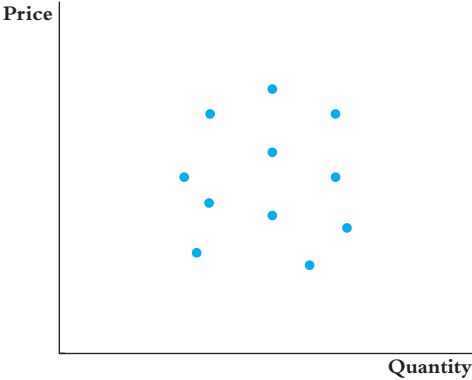
FIGURE 12.1 Equilibrium Price and Quantity Data

(a) Price and quantity are determined by the intersection of the supply and demand curves. The equilibrium in the first period is determined by the intersection of the demand curve D_1 and the supply curve S_1 . Equilibrium in the second period is the intersection of D_2 and S_2 , and equilibrium in the third period is the intersection of D_3 and S_3 .



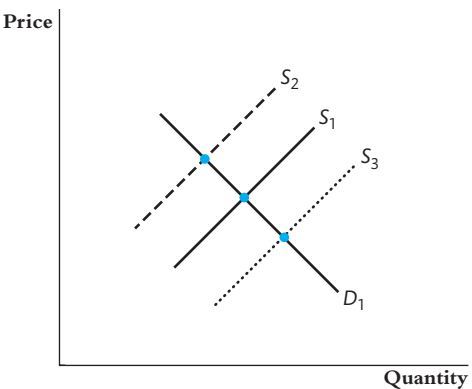
(a) Demand and supply in three time periods

(b) This scatterplot shows equilibrium price and quantity in 11 different time periods. The demand and supply curves are hidden. Can you determine the demand and supply curves from the points on the scatterplot?



(b) Equilibrium price and quantity for 11 time periods

(c) When the supply curve shifts from S_1 to S_2 to S_3 but the demand curve remains at D_1 , the equilibrium prices and quantities trace out the demand curve.



(c) Equilibrium price and quantity when only the supply curve shifts