

$Q_s \equiv -9 + 4.5P$



If Qs = 0

$$P = 2$$

Price

Quantity

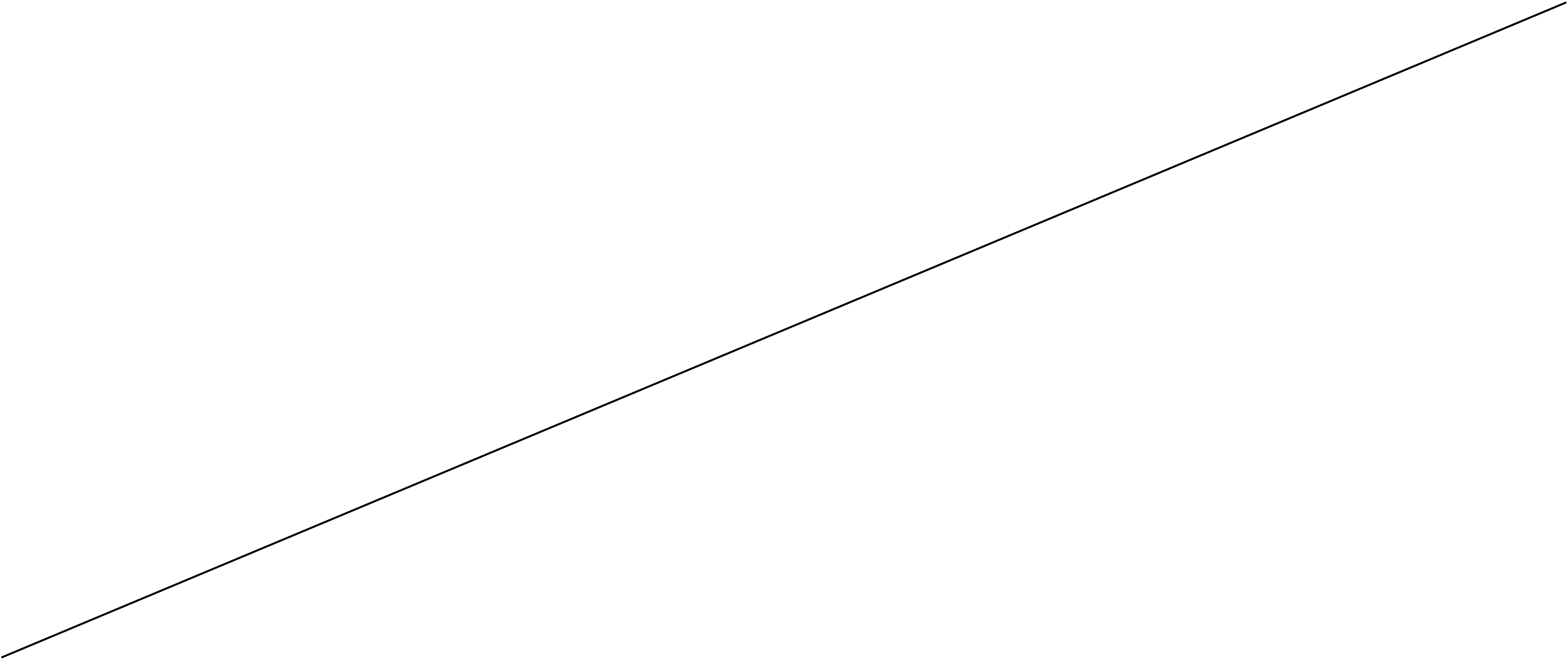
Qs

=

-9

If P = 0

Qs = 9



New Supply

0

=

-

9

+

4

.

5

P

9

=

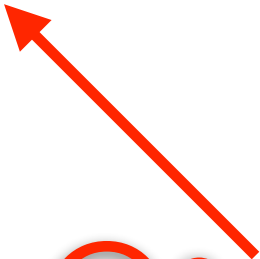
4

.

5

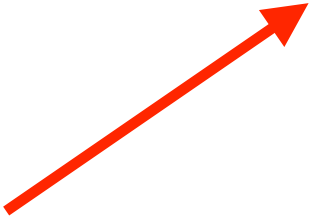
P

P = 9/4.5



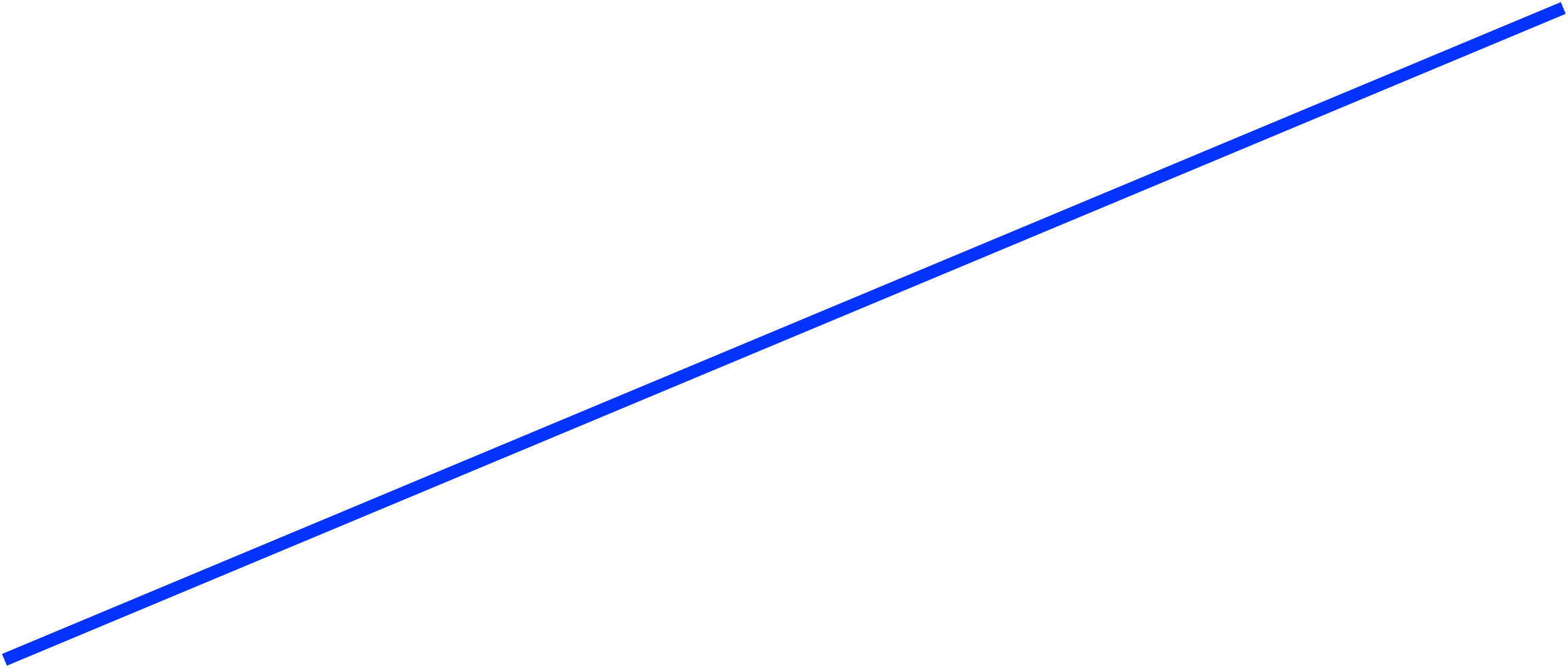
$$Q^s = 0$$

$P = 0$



0





Qs = -10 + 5P

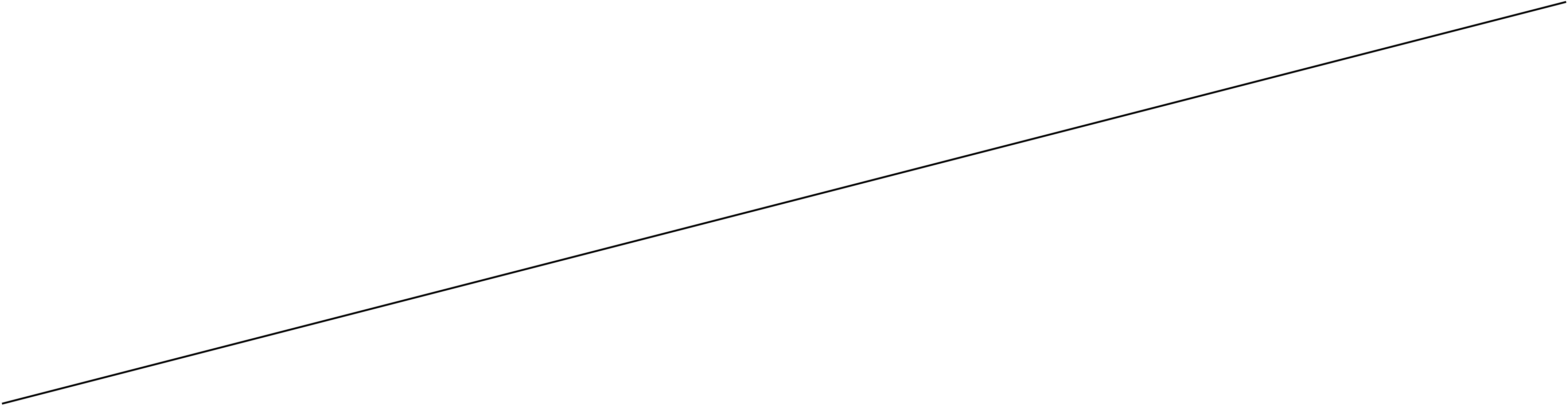
Producers sell 10% fewer units at all prices

$$Q^s \equiv (-10 + 5P) \quad (0.9)$$

$$Q^s \equiv -10(0.9) + 5P(0.9)$$

This is the new Supply line

Qs = -10





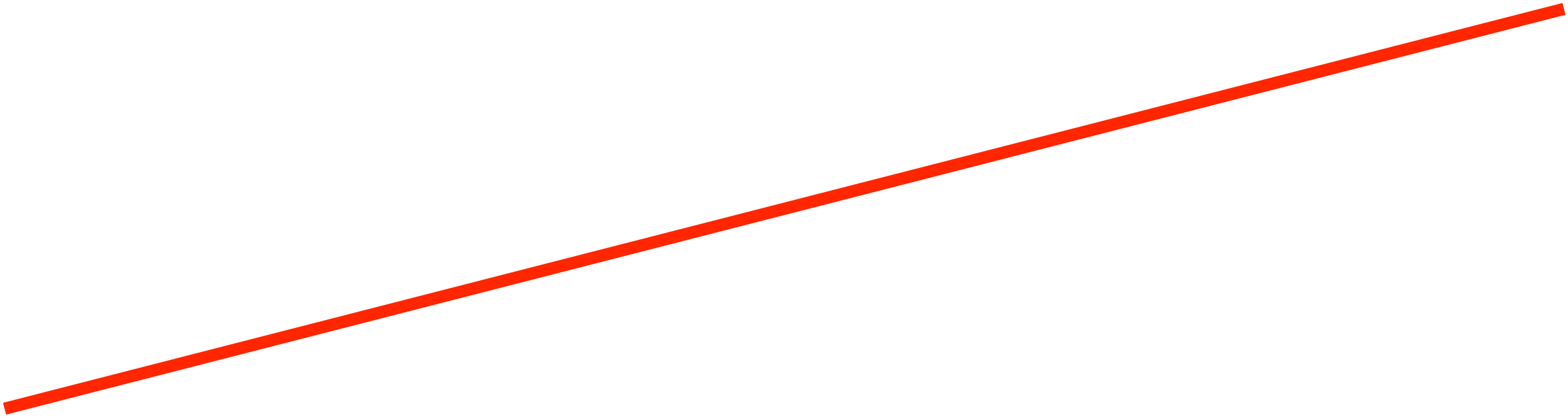
Original Supply



P

=

2







$$Q^s = -9 + 44.5P$$

$$P = 2$$



S





9



1. *Pharmaceutical Innovation and the Role of Government*

2. *The Impact of Patent Law on Drug Development*

2







Slope = 219





a









S



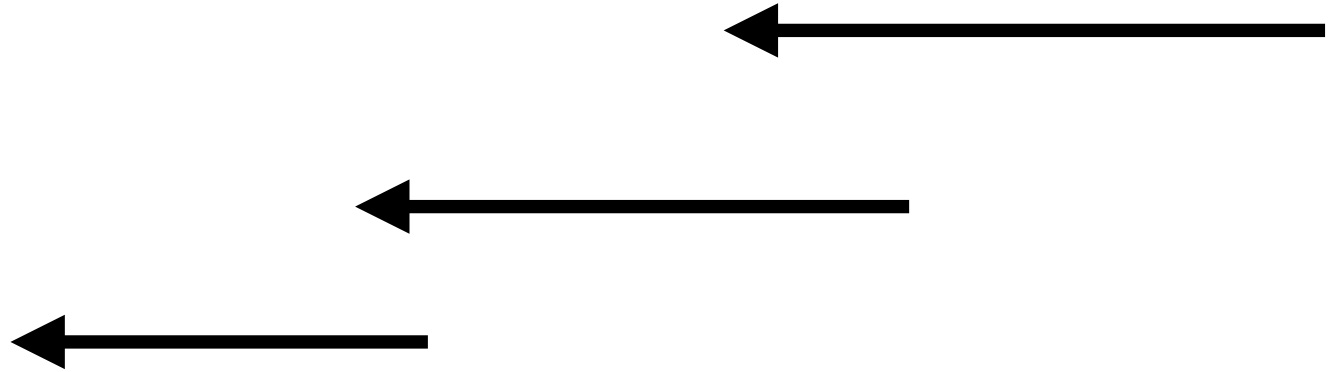




Р

e





NOT a parallel shift

$$\text{Slope} = 2/10$$

Flatter

Steep(er)

$$Q^s = -10 + 5P$$

Producers sell 10% fewer units at all prices

$$Q^s = (-10 + 5P) (0.9)$$

$$Q^s = -10 (0.9) + 5P (0.9)$$

$$Q^s = -9 + 4.5P$$

If $Q^s = 0$

$$0 = -9 + 4.5P$$

$$9 = 4.5P$$

$$P = 9/4.5$$

$$P = 2$$

