

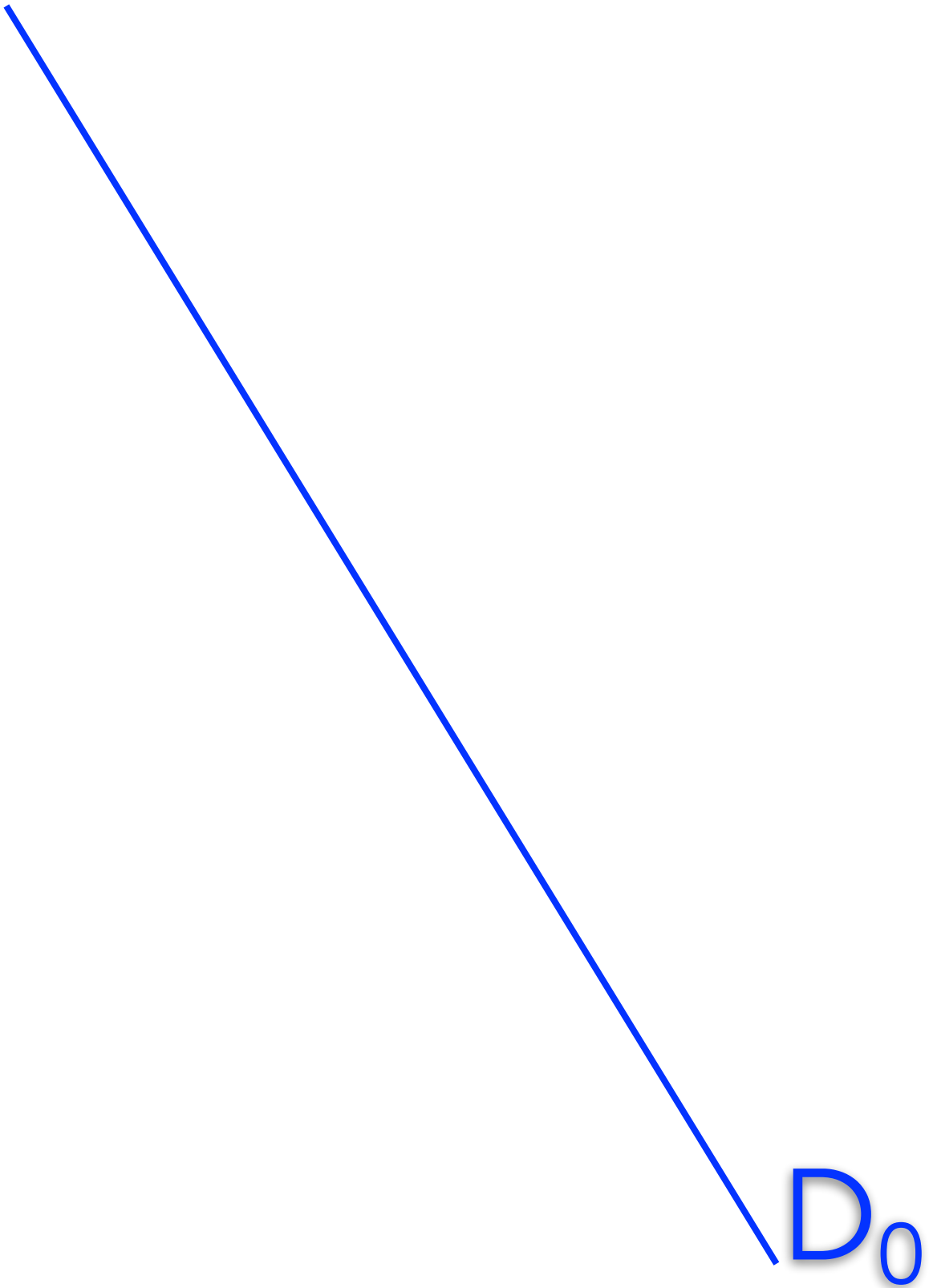
The market for Marijuana

P

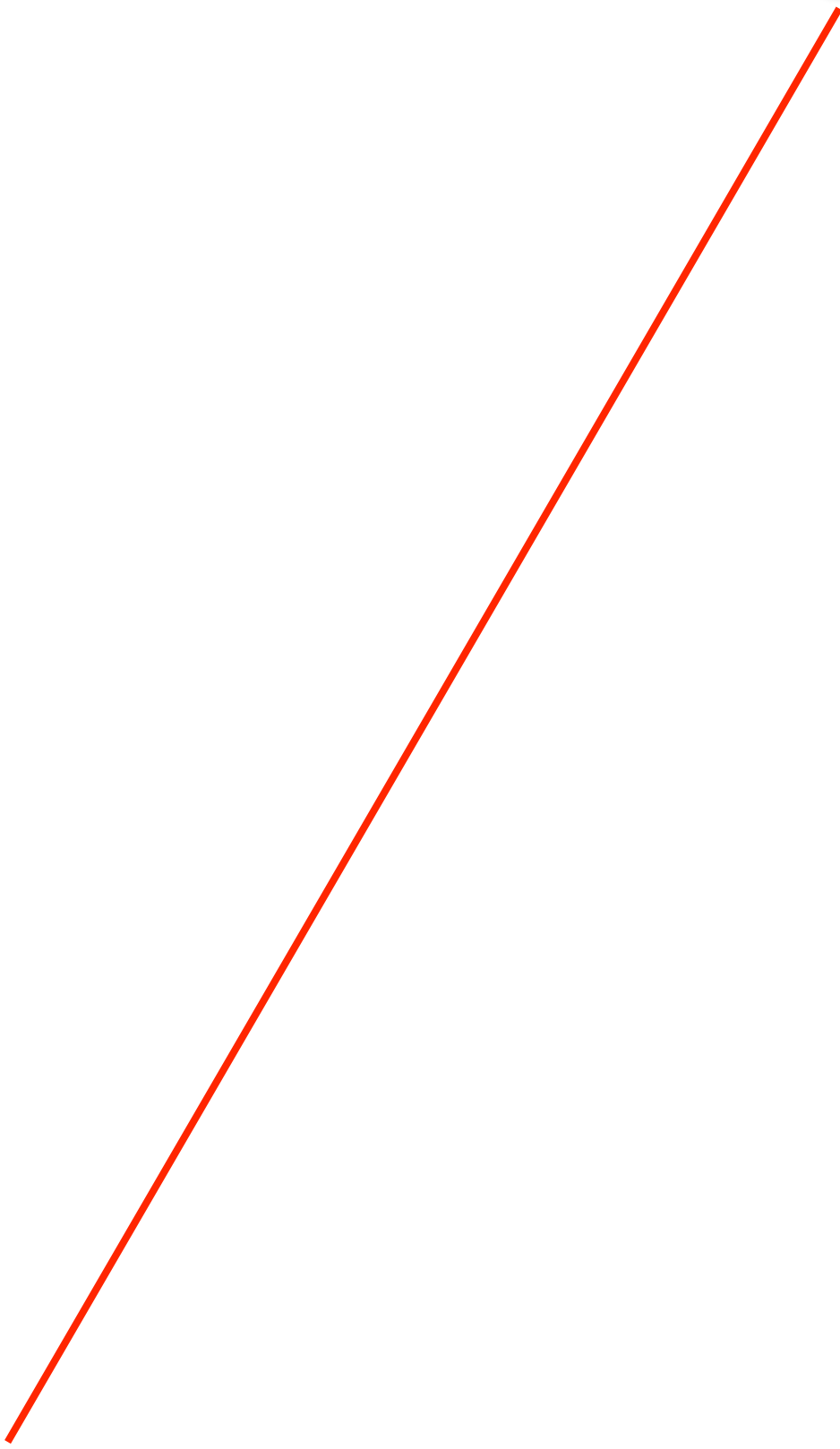








S_0



P_0



Q_0





e



2



m

2





h

u

a



a

2







a





S





W

u

S

e



S





nn

a

n

o











a

S

e









9

h



W

a



o

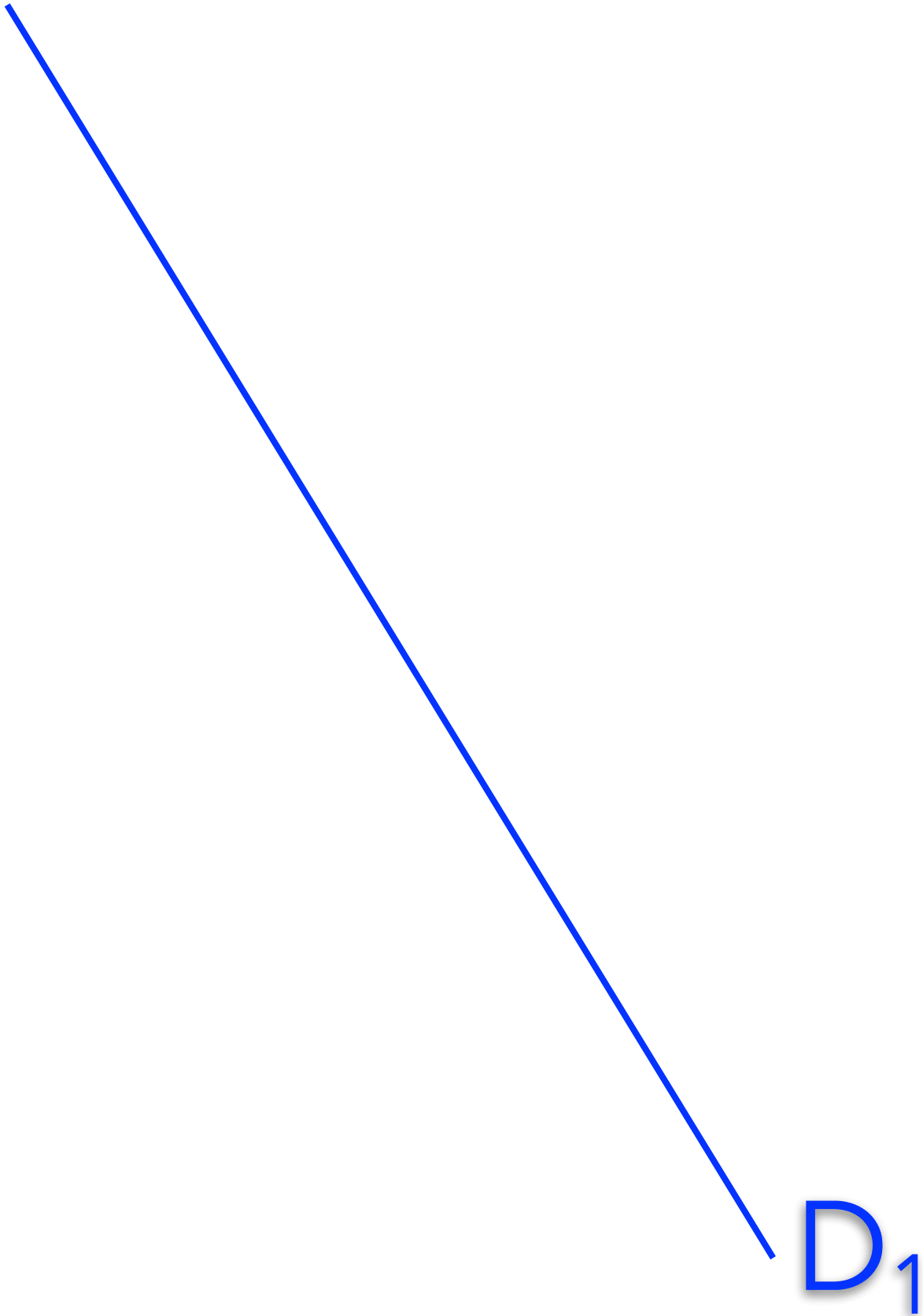
S



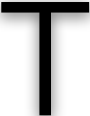












h



m

a











S









n









n





U







b





U

mm

A





h









9





a







U







b





U

mm













P











U

2









Y

o



mm

a

n

o



o



S





W



a



9







h

2











U

a







Y

S

U

Р

Р








o



Q^S



Q^d

A light blue arrow pointing upwards, with the text "Buyers bid price up" centered inside it.

Buyers bid
price up



P_1



Q_1

Q demanded
decreases



Q supplied
increases



T





n



W





U







b





u

m



u

2







Y



S

h



9

h







h

b



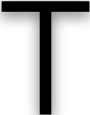






e













W





U







b





u

mm













S

h



9











2



b

















Shortage

Legal marihwana attracts
new users

Demand increase: A
rightward shift

The market is no longer in
equilibrium

At the original equilibrium
price (P_0) the quantity
demanded is now larger than
the quantity supplied

The new equilibrium quantity is higher than before

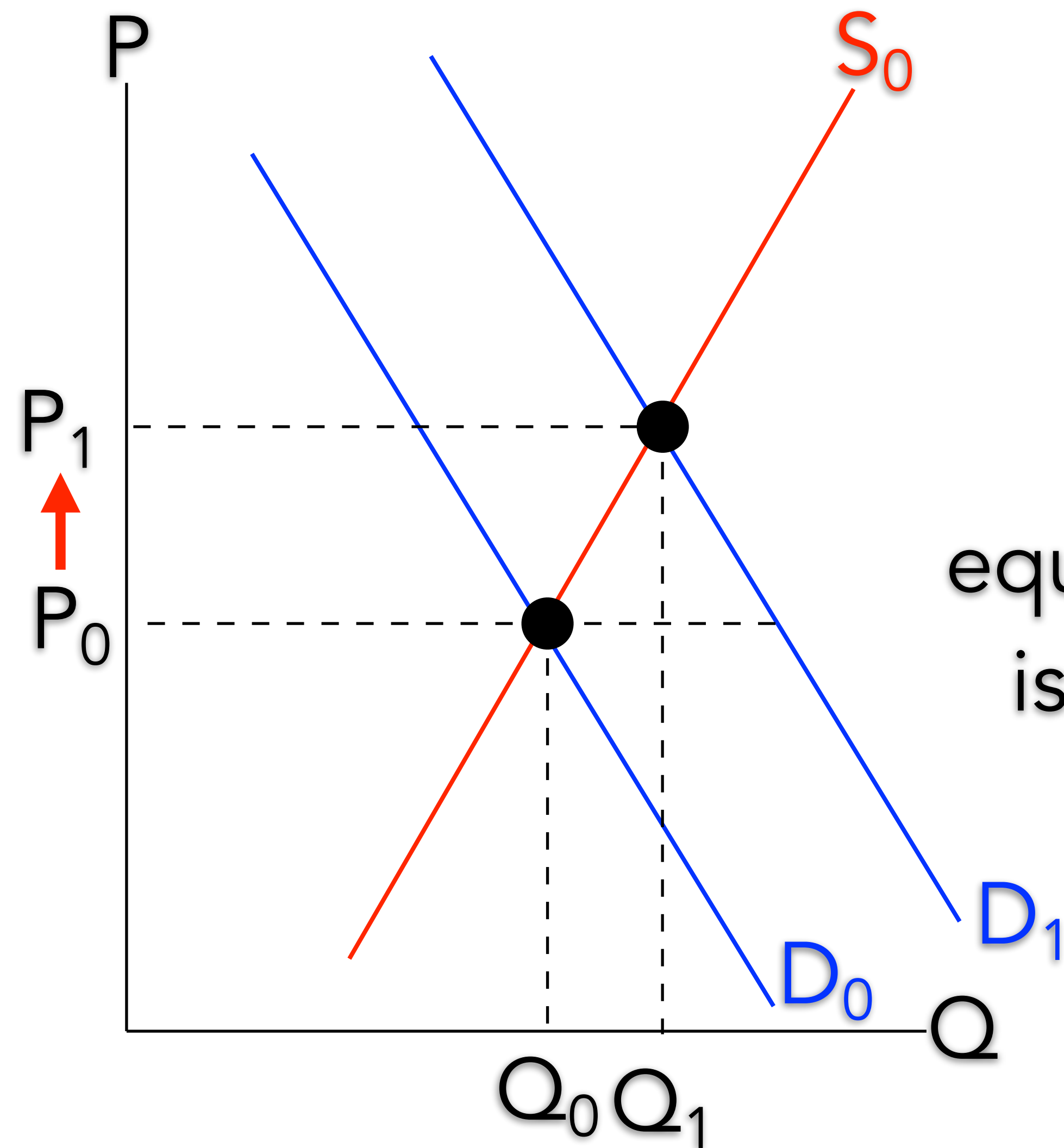
The market for Marihuana

Legal marihuana attracts
new users

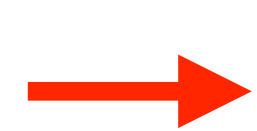
Demand increase: A
rightward shift

The market is no longer in
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At the original equilibrium
price (P_0) the quantity
demanded is now larger than
the quantity supplied



The new
equilibrium price
is **higher** than
before



The new equilibrium quantity is **higher** than before

Consider the market for Coffee

