



Q0

**Demand shifts left**











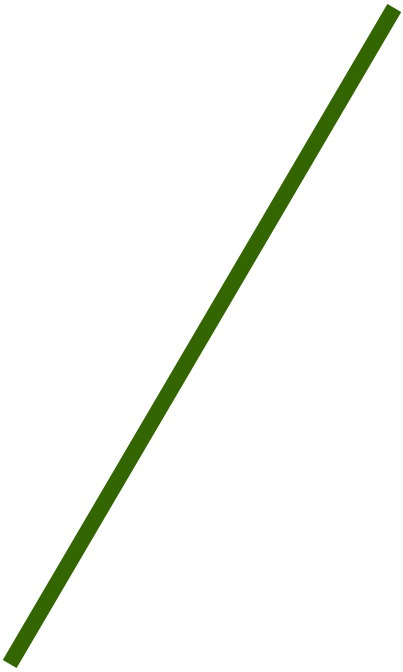
A surplus appears

**Prices decreases**



# Surplus















Q1

P

O



**P**

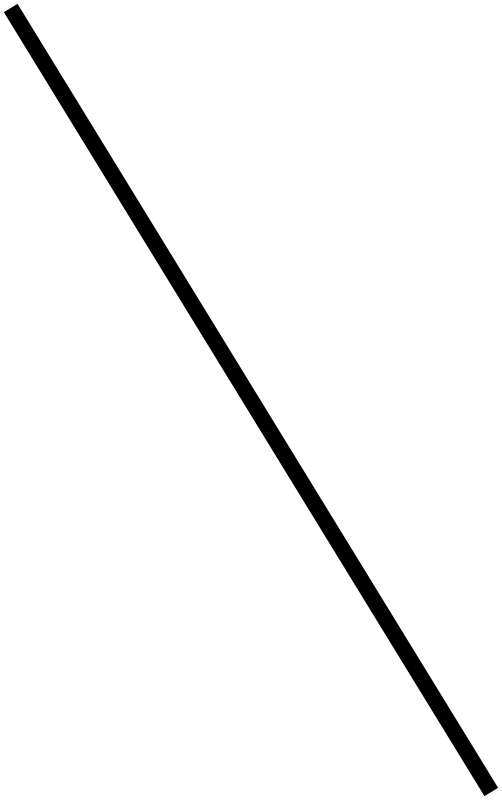
**1**

Who is affected first?

Increase? Decrease?

Shift or move along?

**Quantity exchanged  
decreases**









**A decrease in  
Quantity Supplied**

**A decrease in Demand**



D



P

e



Q

e

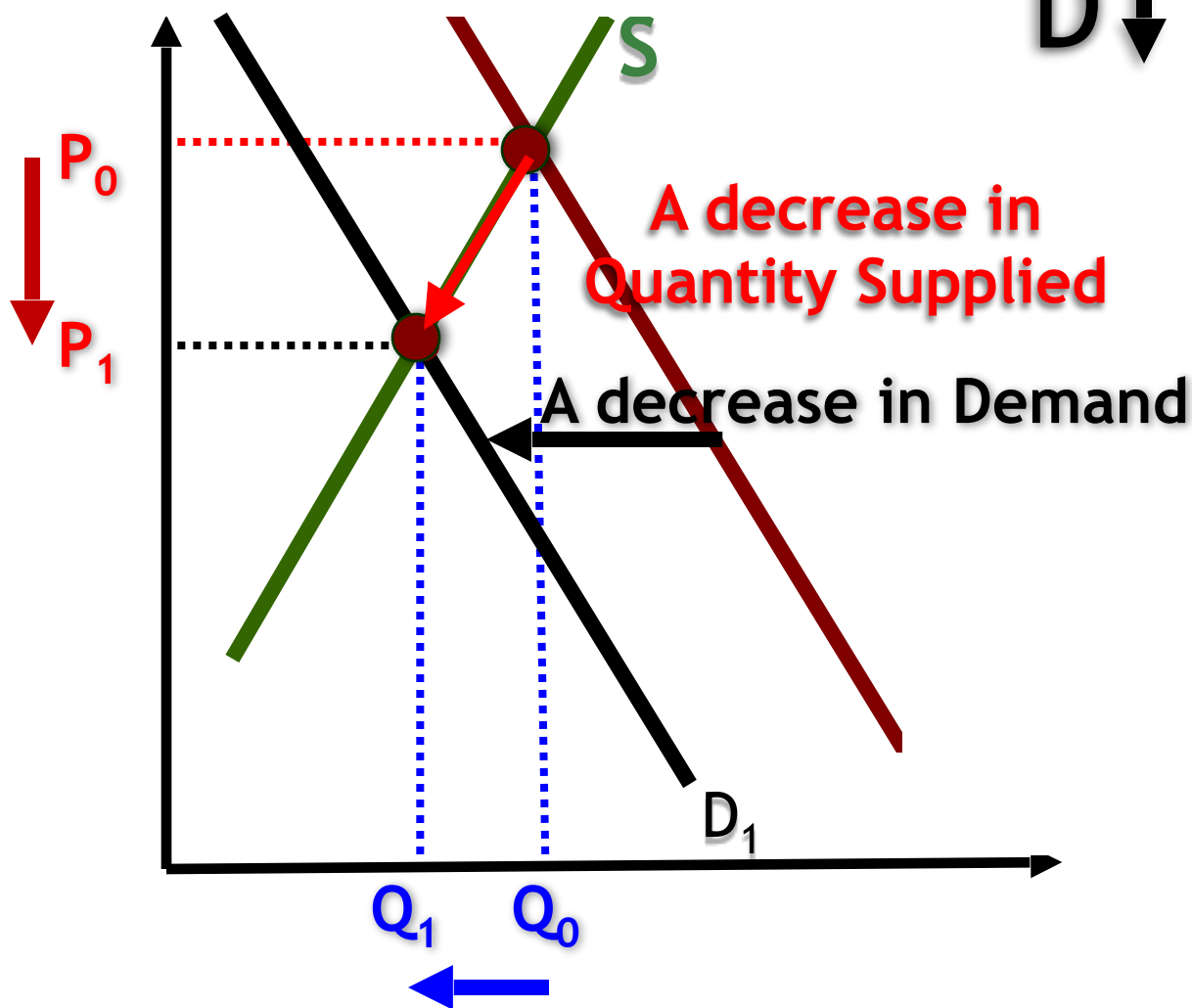






# Shift or move along?

$D \downarrow$   $P_e \downarrow$   $Q_e \downarrow$



Consider the market  
for coffee

