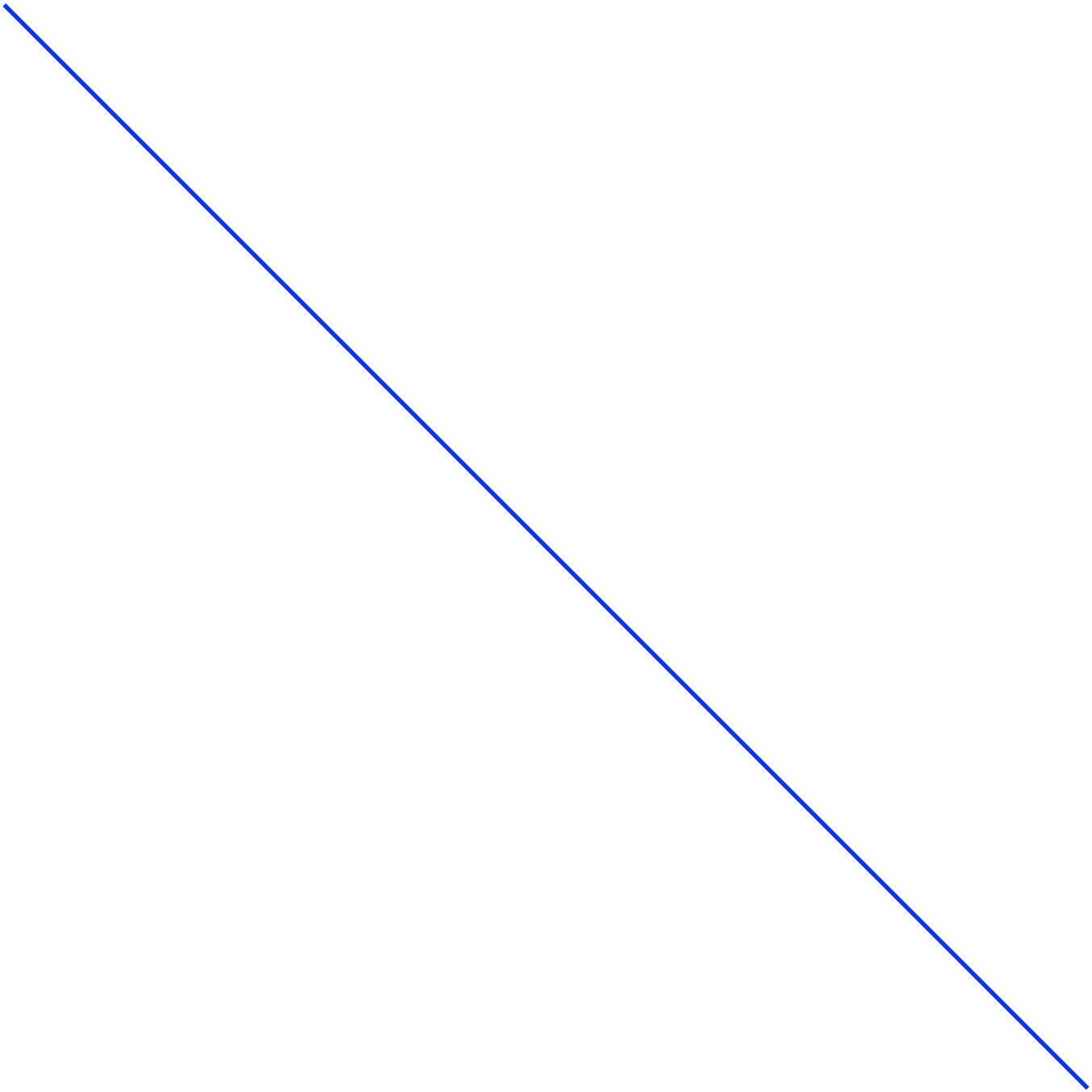
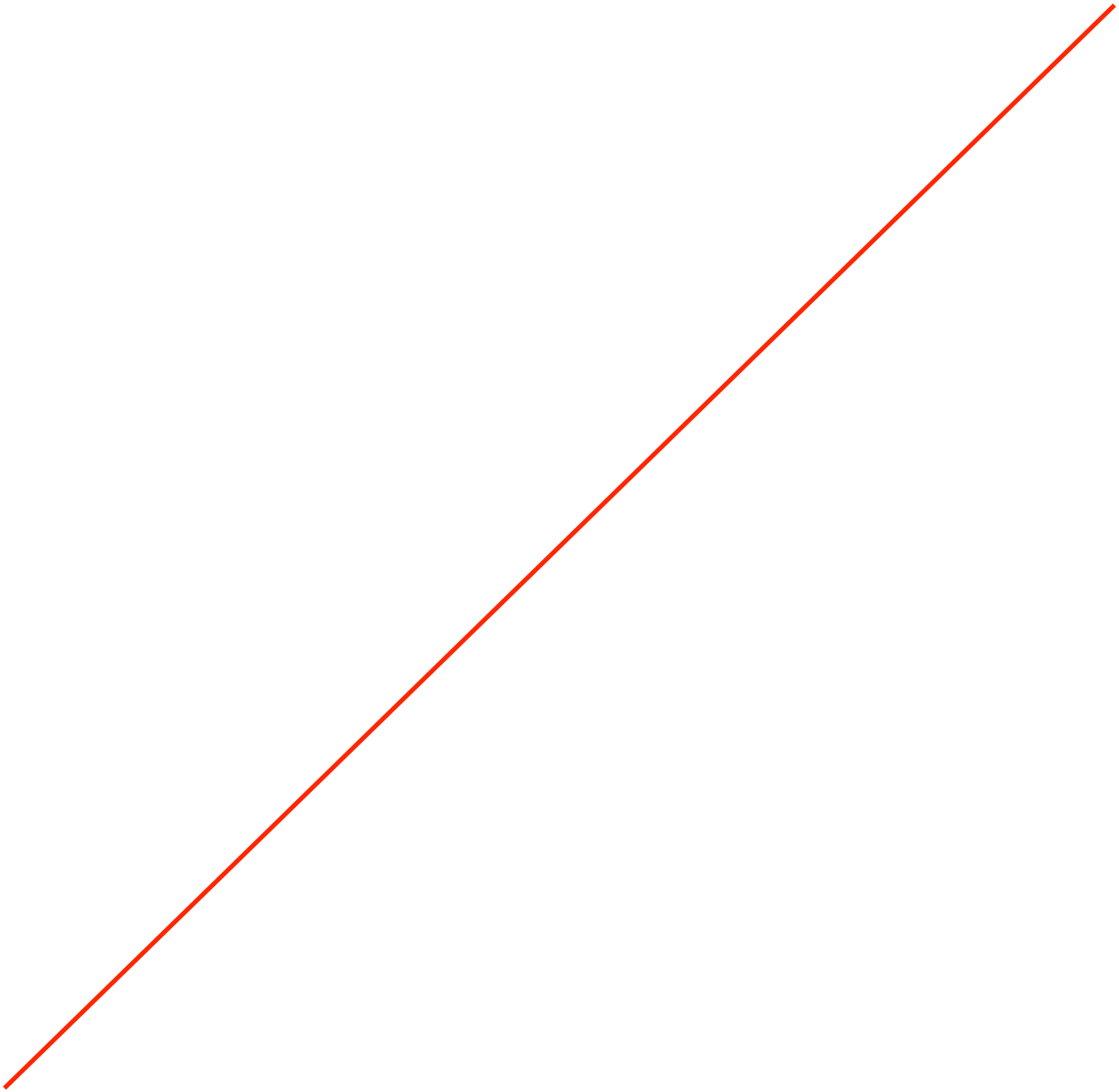


Price









20

100

Demand

Supply

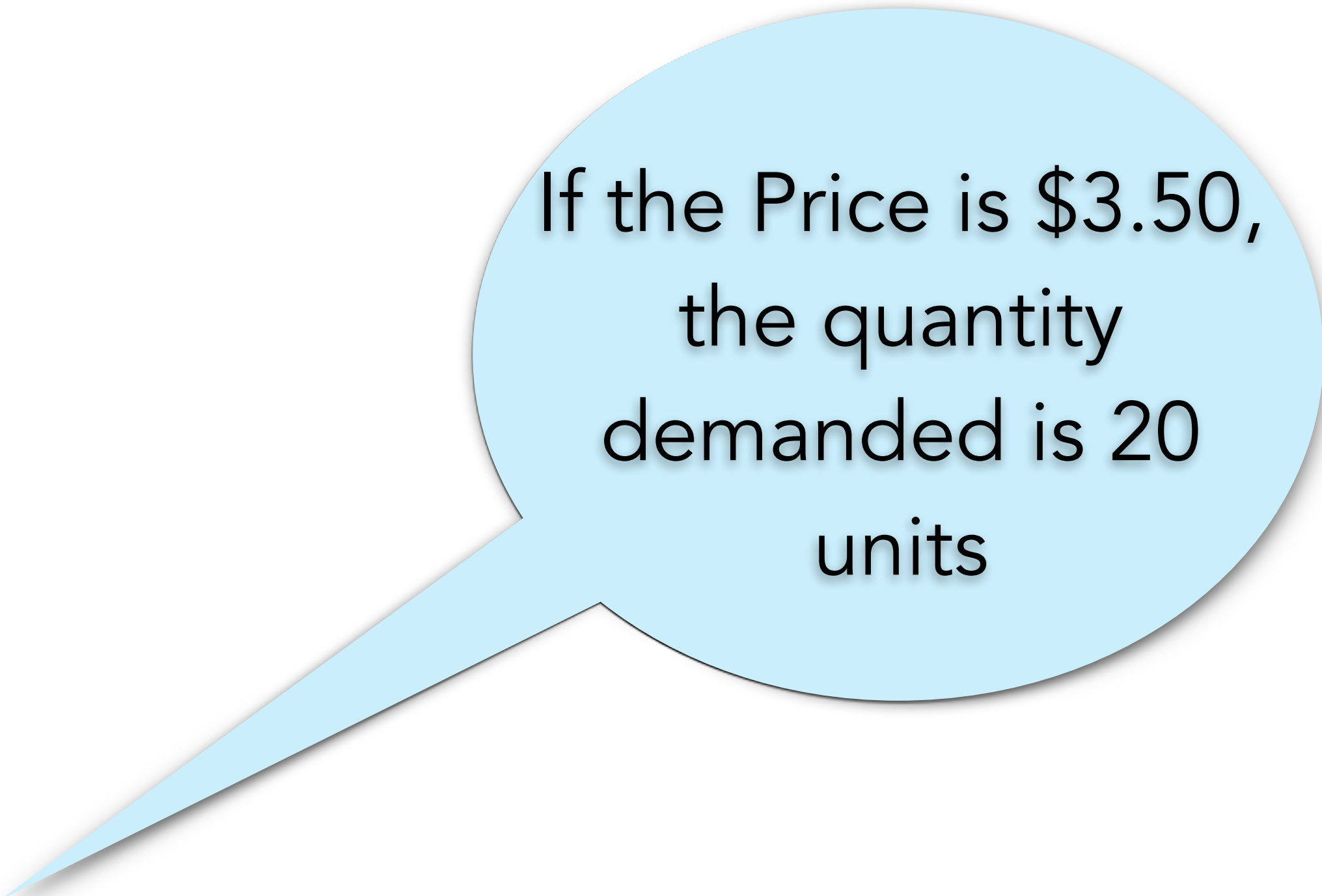
Surplus

od

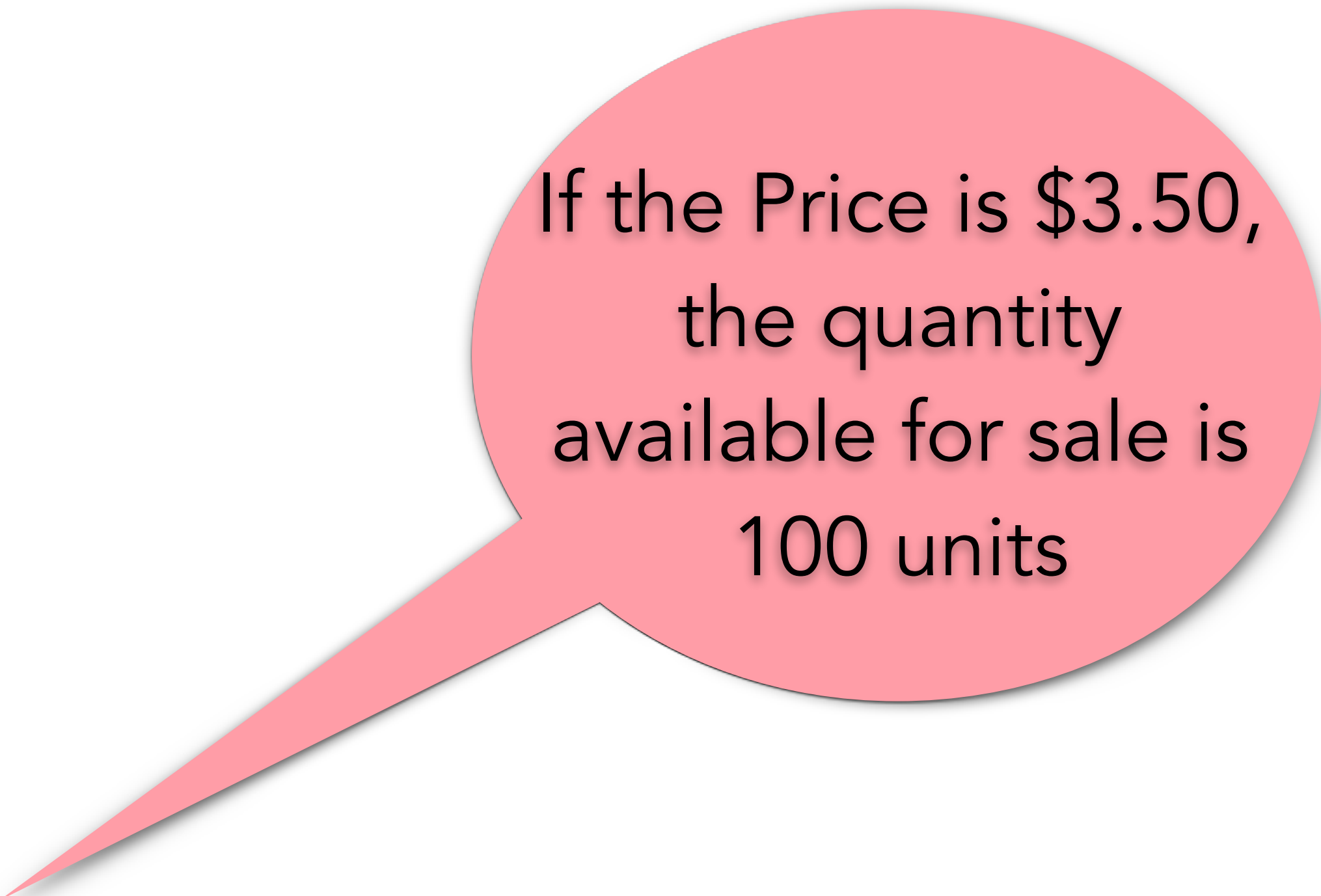
Qs



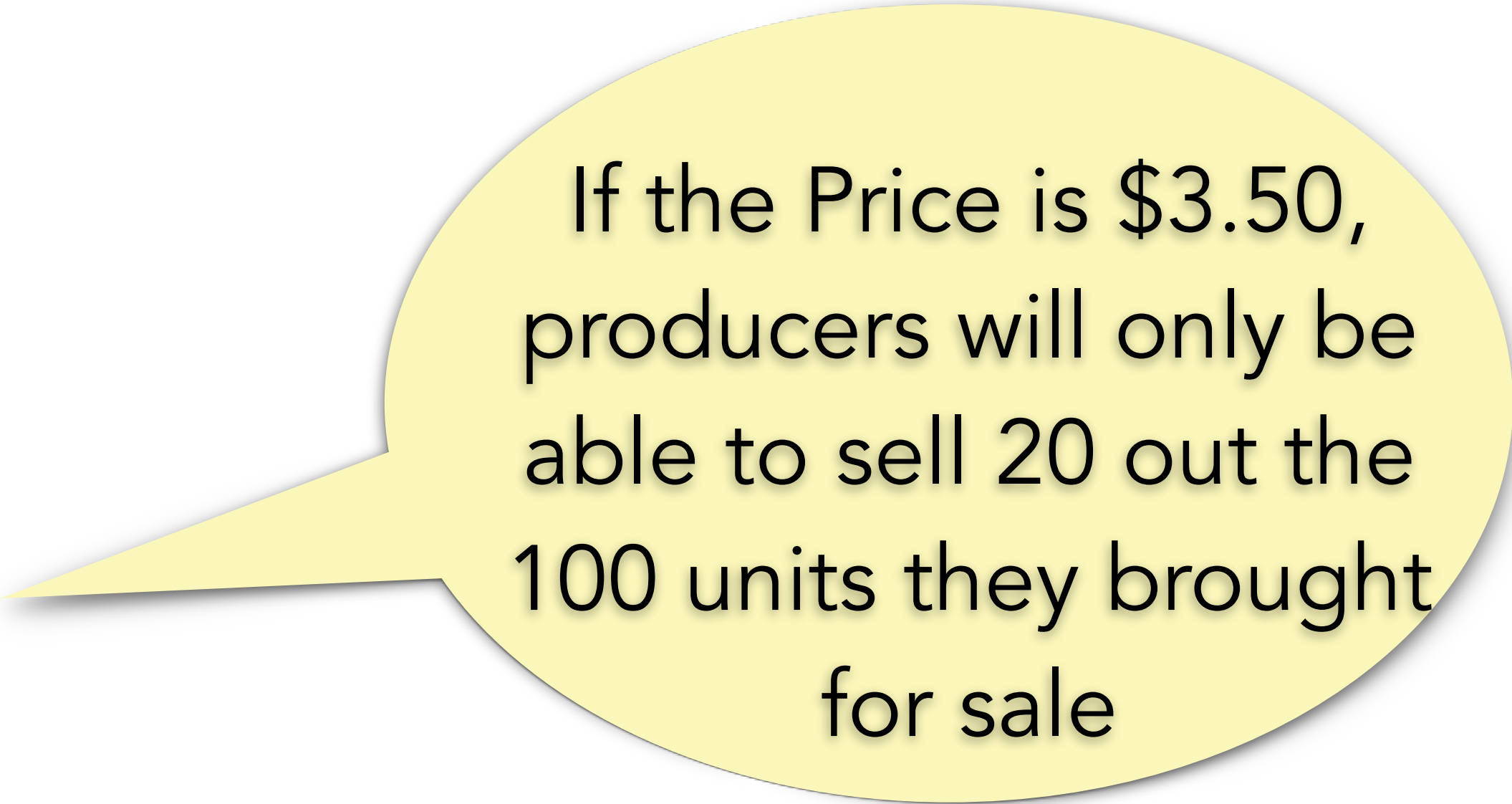




If the Price is \$3.50,
the quantity
demanded is 20
units



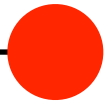
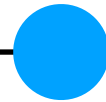
If the Price is \$3.50,
the quantity
available for sale is
100 units



If the Price is \$3.50,
producers will only be
able to sell 20 out the
100 units they brought
for sale

\$3.50 - - - - - ●

\$3.50





Excess Supply

80 units

Market Forces: The Supply and Demand Model

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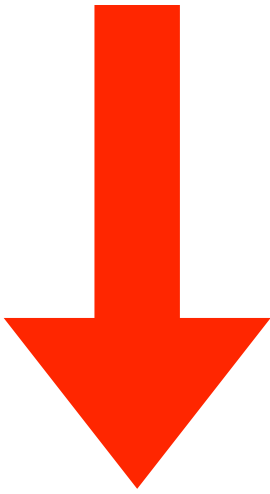
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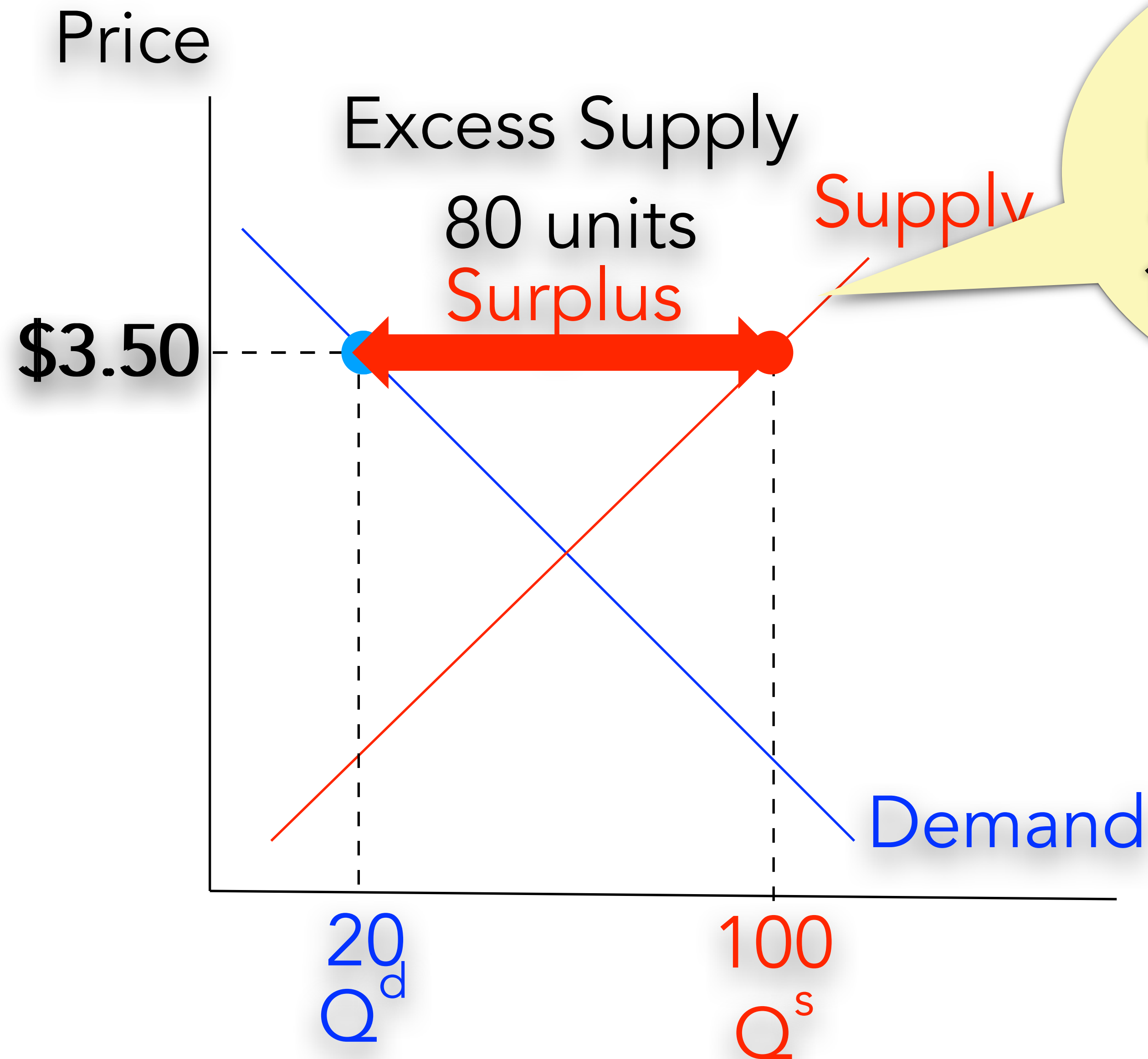
d



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Market Forces: The Supply and Demand Model



If the Price is \$3.50, producers will only be able to sell 20 out the 100 units they brought for sale

Sellers cut price below \$1.50 to be able to sell left over units

Sellers "bid" the price down

Market Forces: The Supply and Demand Model

