

$$Q_s \equiv -1.1 + 5.5P$$



If Qs = 0

$$P = 2$$

Price

Quantity

Qs

=

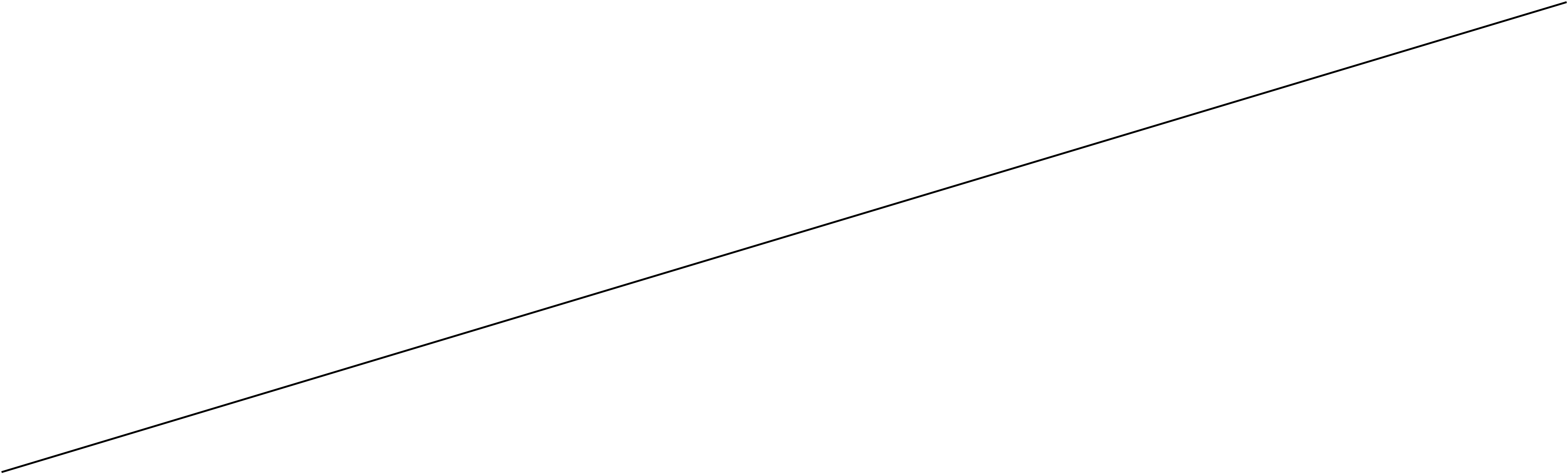
-

1

1

If P = 0

$$Q_s = -11$$

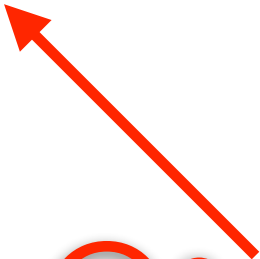


New Supply

0 = -11 + 5.5P

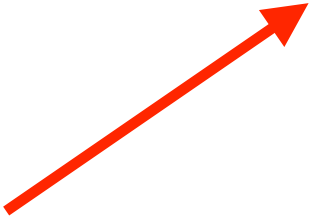
11 = 5.5P

$P = 11/5.5$



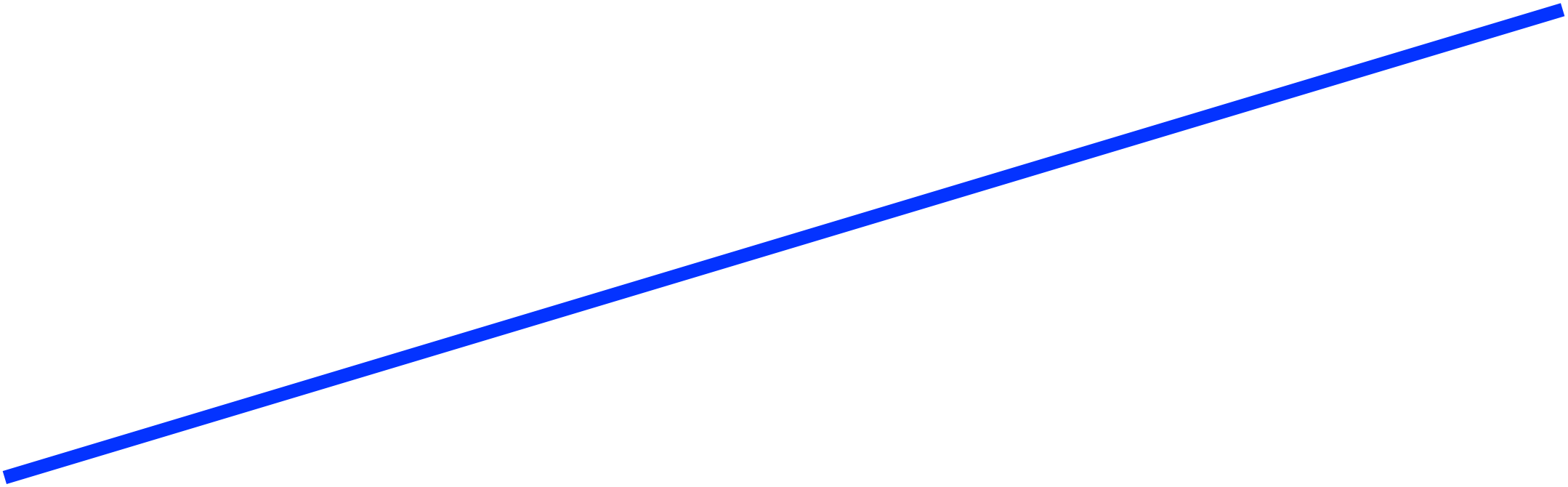
$$Q^s = 0$$

$P = 0$



0





$$Q_s \equiv -10 + 5P$$

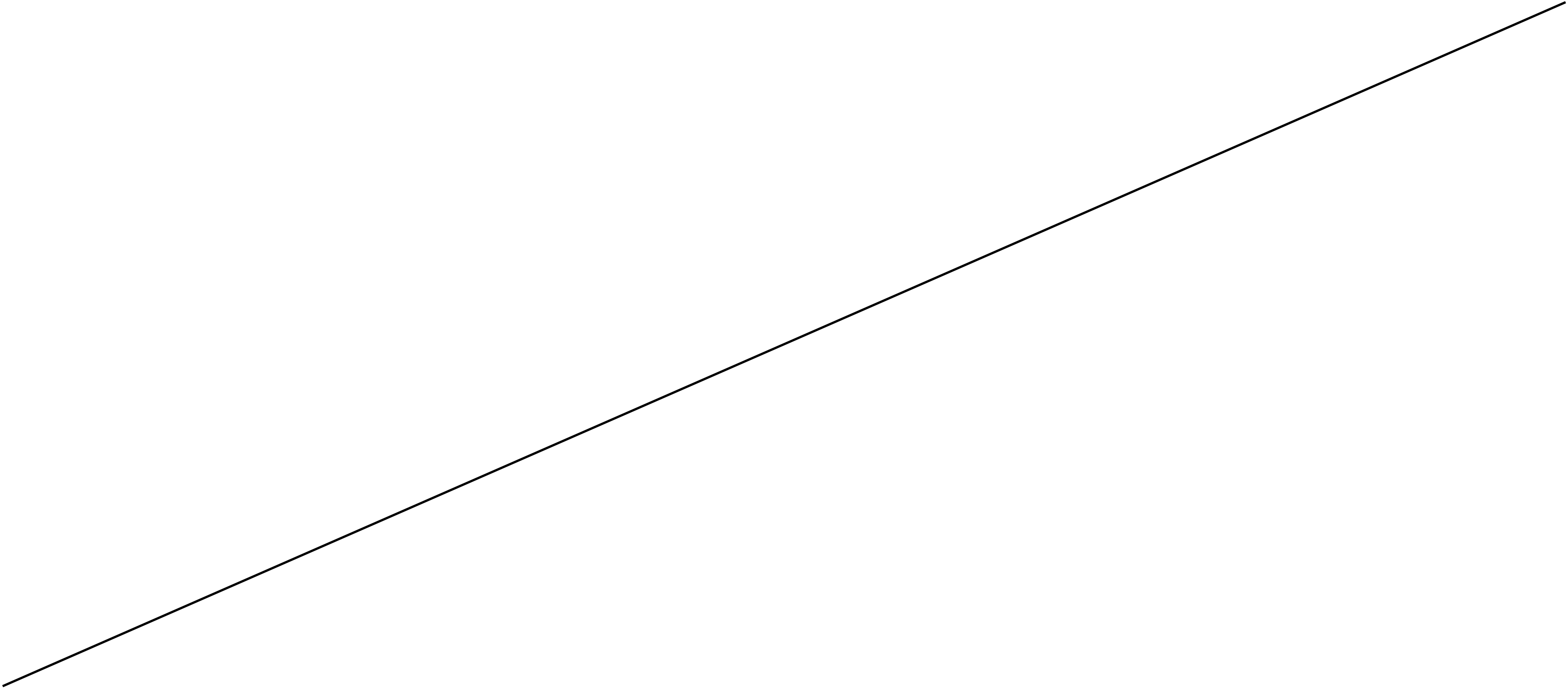
Producers sell 10% more at all prices

$$Q^S \equiv (-10 + 5P) \quad (1.1)$$

$$Q^s \equiv -10(1.1) + 5P(1.1)$$

This is the new Supply line

Qs = -10



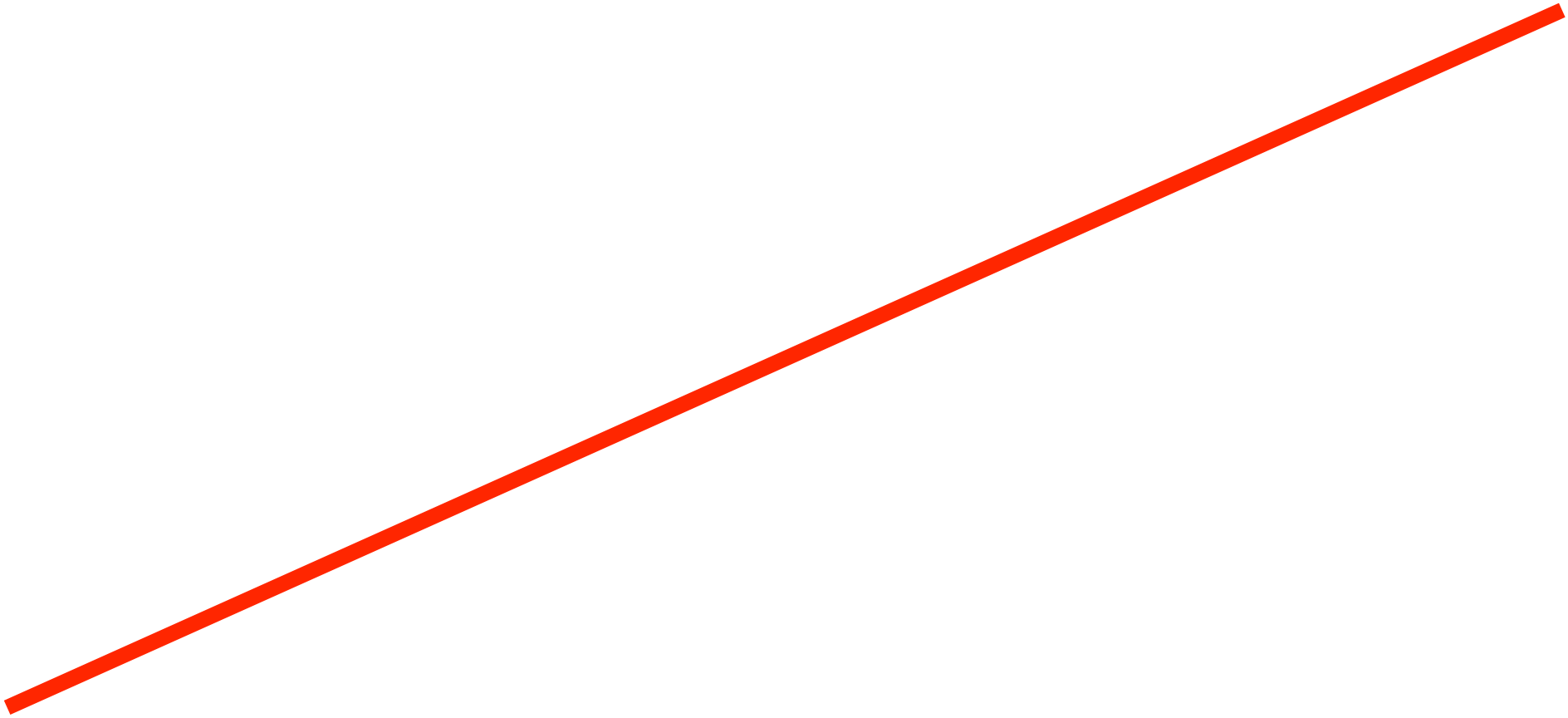
Original Supply



P

=

2







$$Q^s \equiv -11 + 5.5P$$

P

=

2



S





9





2







$$\text{slope} = 2/1/1$$

S







P









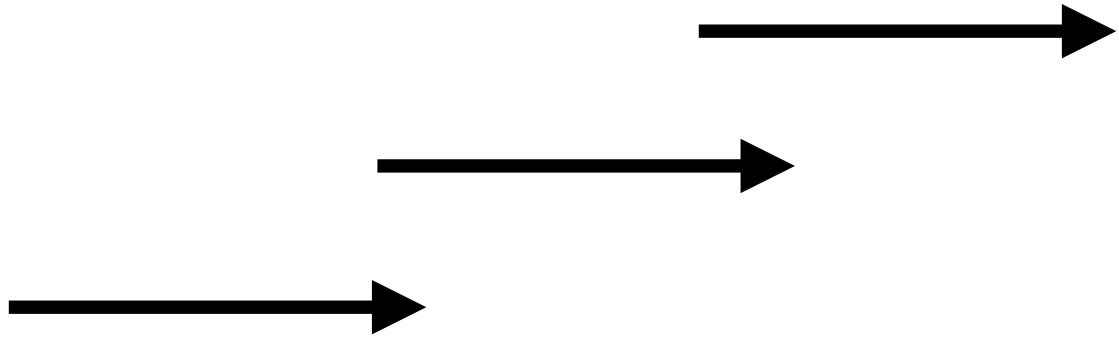
a











NOT a parallel shift

Slope = 2/10

Steep(er)

Flatter

$Q^s = -10 + 5P$ Producers sell 10% more at all prices

$$Q^s = (-10 + 5P) (1.1)$$

$$Q^s = -10(1.1) + 5P(1.1)$$

$$Q^s = -11 + 5.5P$$

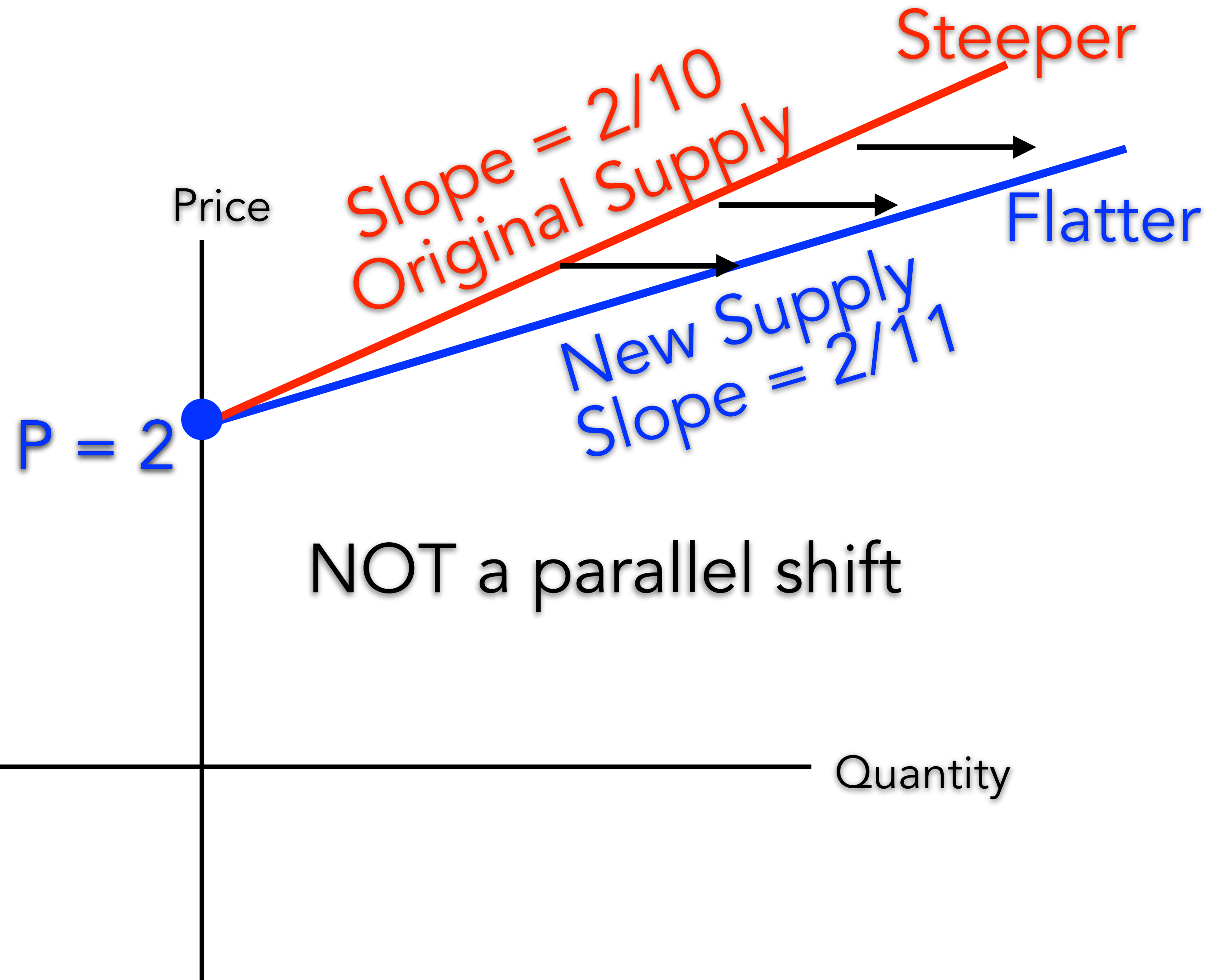
If $Q^s = 0$

$$0 = -11 + 5.5P$$

$$11 = 5.5P$$

$$P = 11/5.5$$

$$P = 2$$



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

Price

Q

