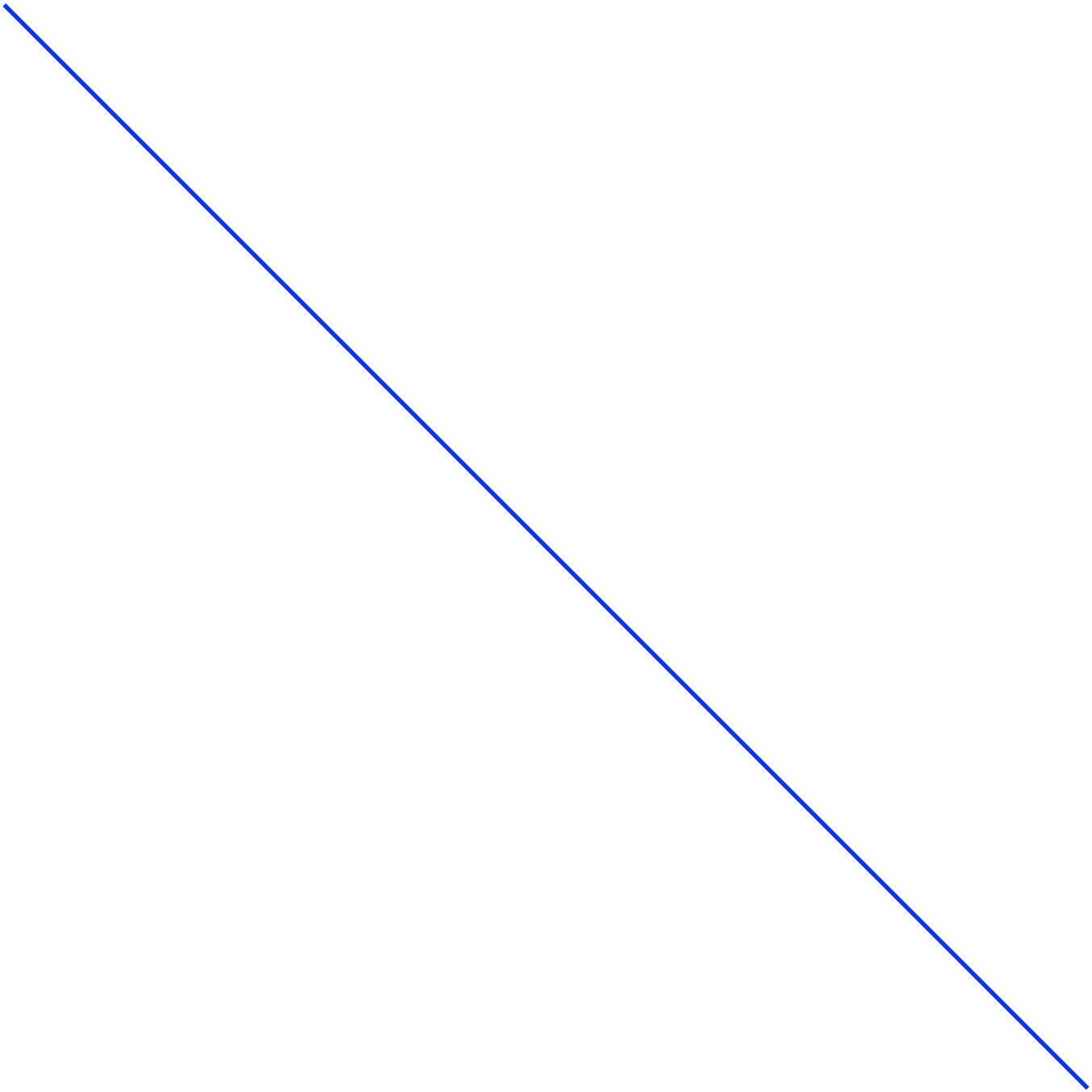
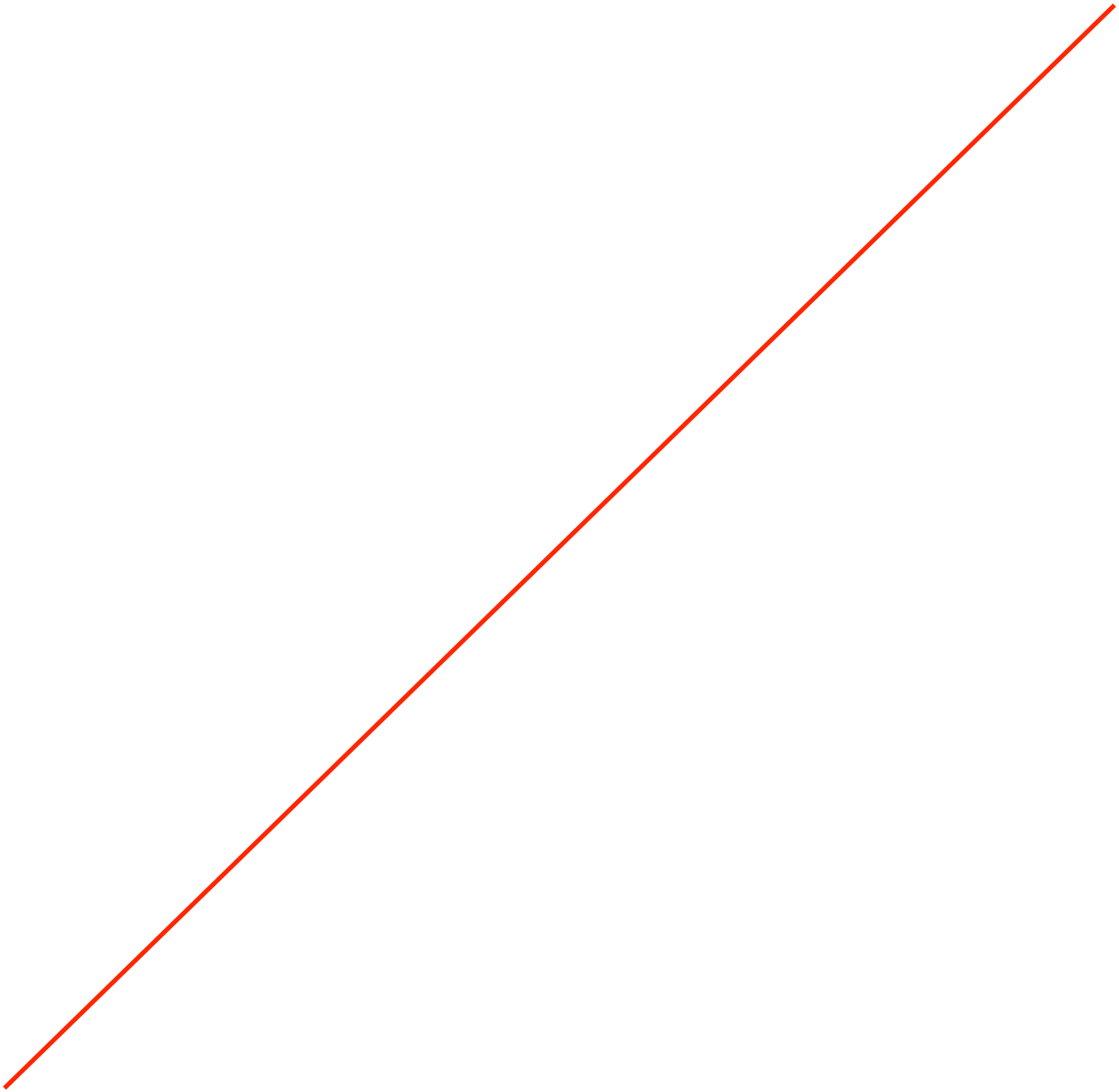


Price









20

100

Demand

Supply

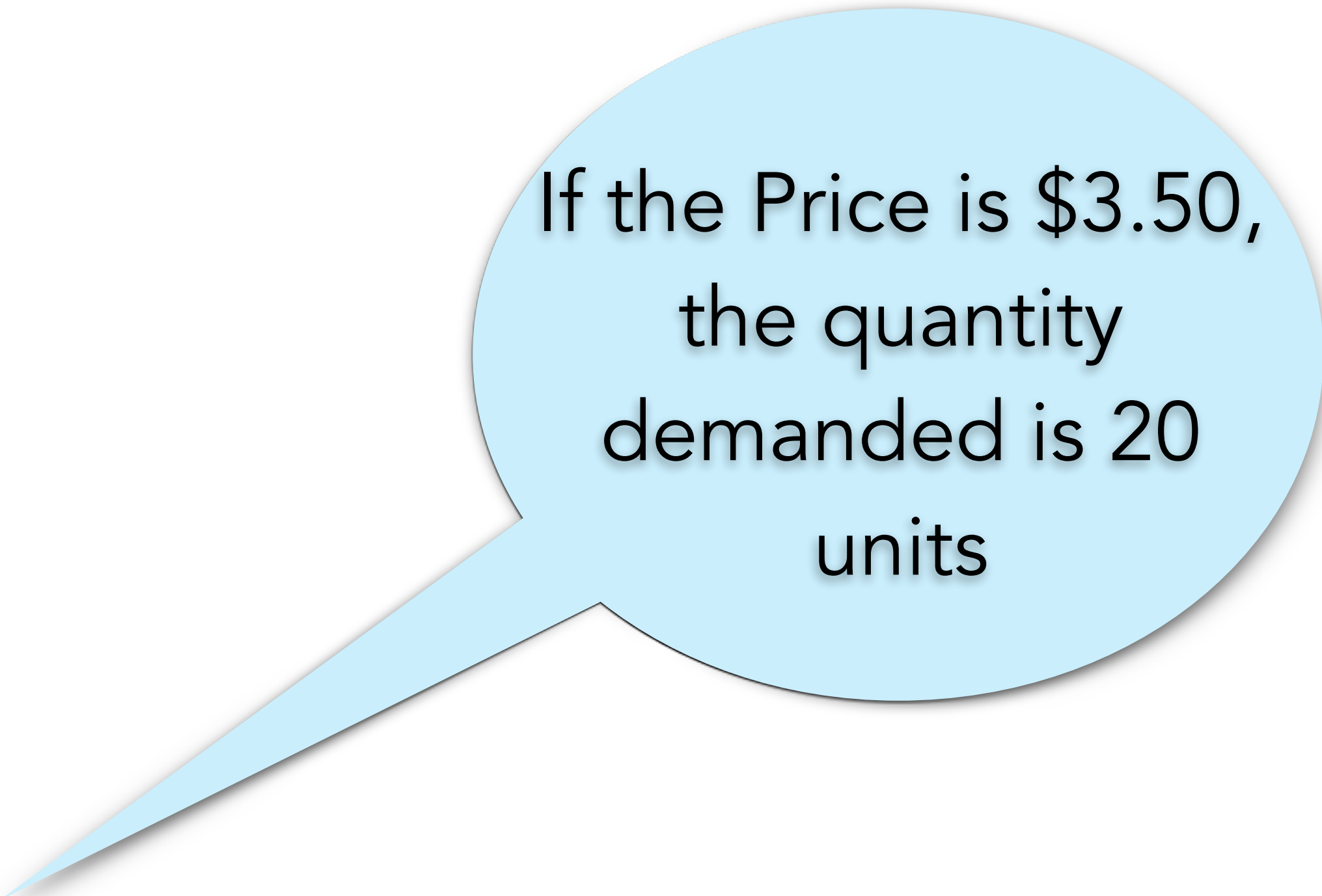
Surplus

Q^d

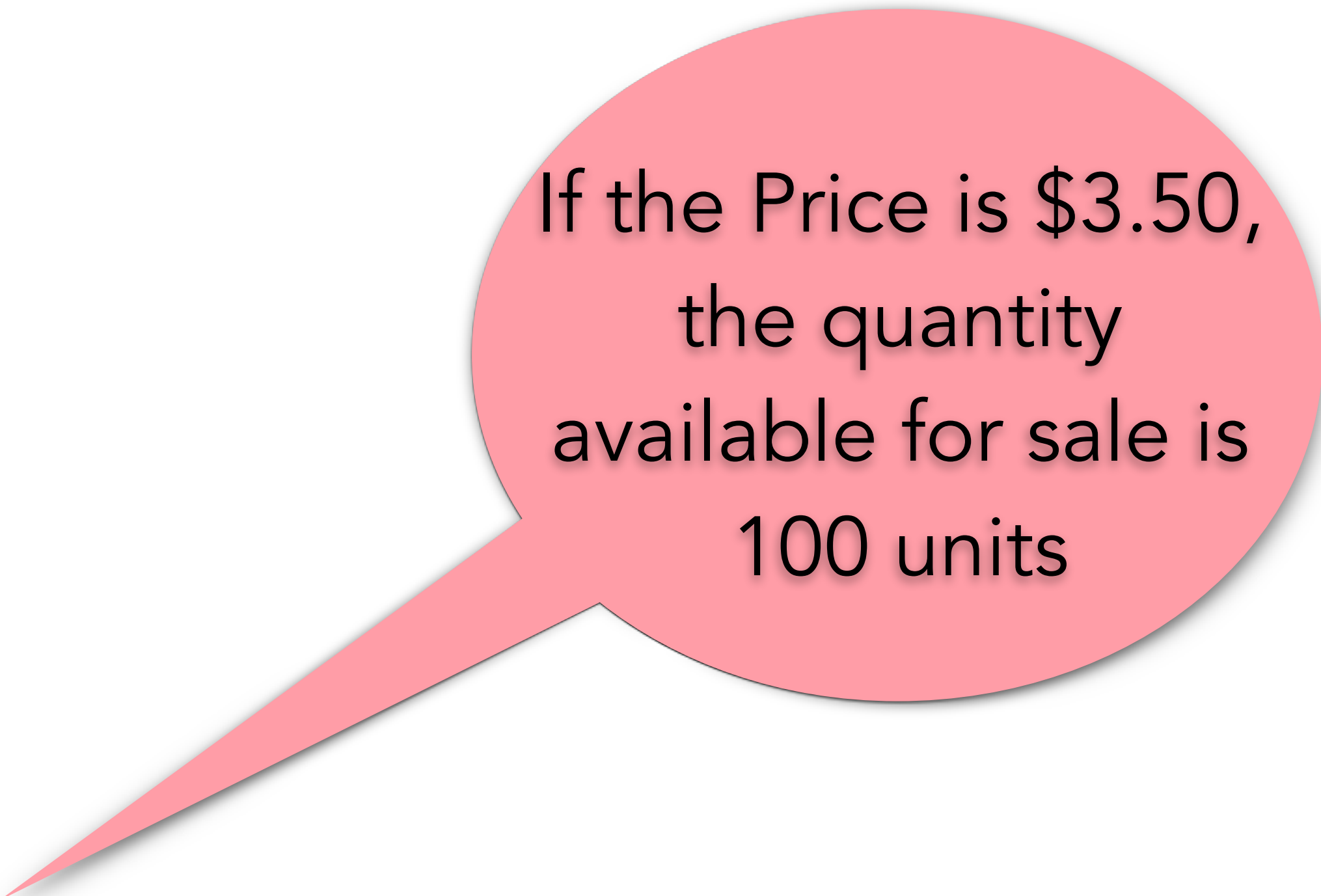
Q^S



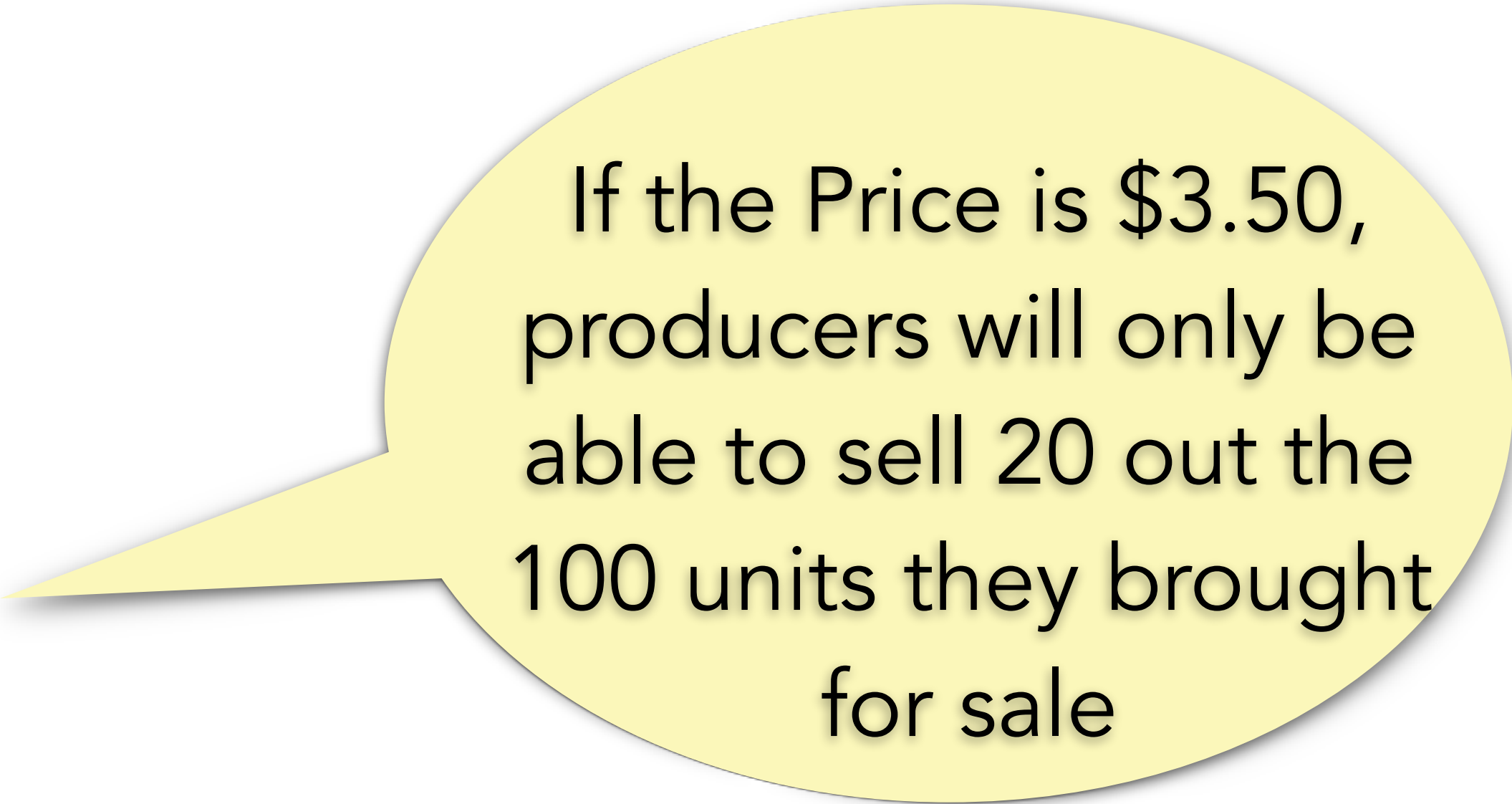




If the Price is \$3.50,
the quantity
demanded is 20
units

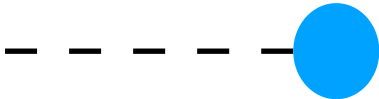


If the Price is \$3.50,
the quantity
available for sale is
100 units

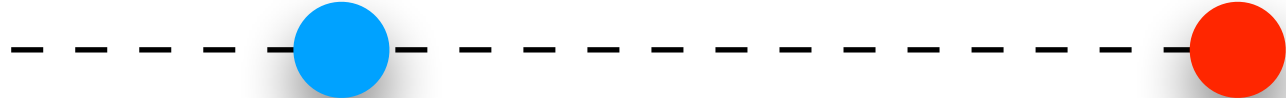


If the Price is \$3.50,
producers will only be
able to sell 20 out the
100 units they brought
for sale

\$3.50



\$3.50





Excess Supply

80 units

Market Forces: The Supply and Demand Model

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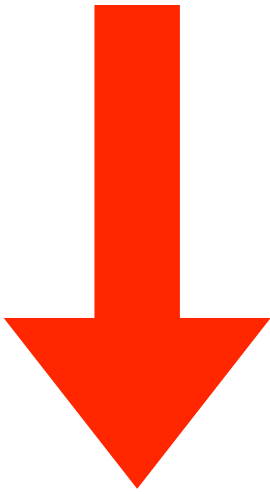
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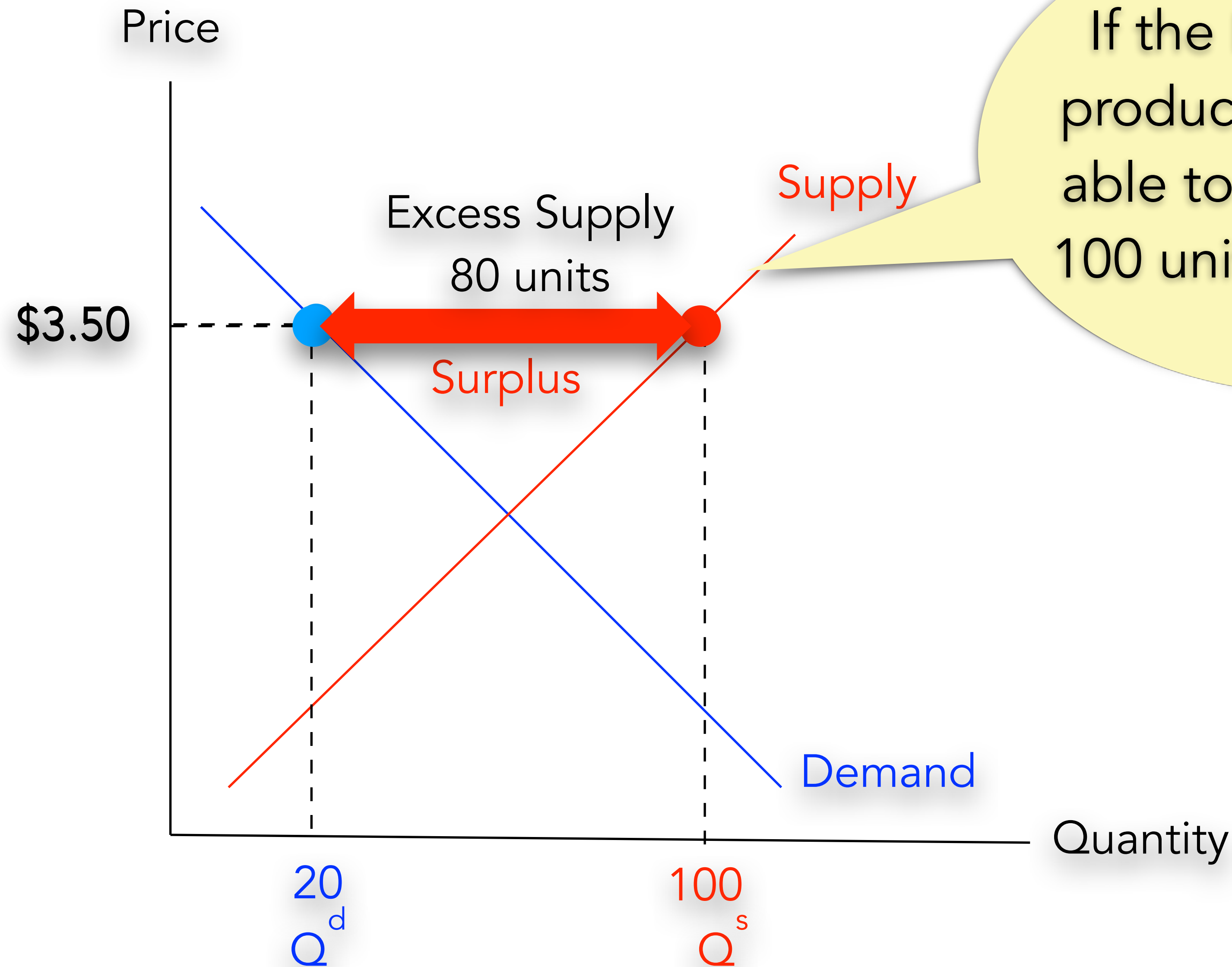


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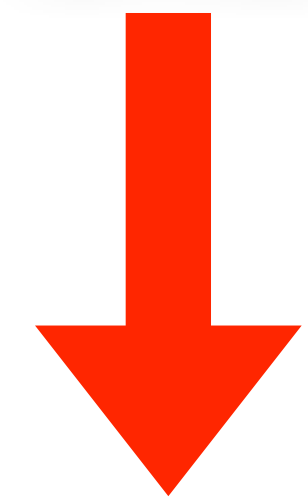
Quantity

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

