

$$Q_s = -9 + 4.5P$$



If $Q_s = 0$

P

=

2

Price

Quantity

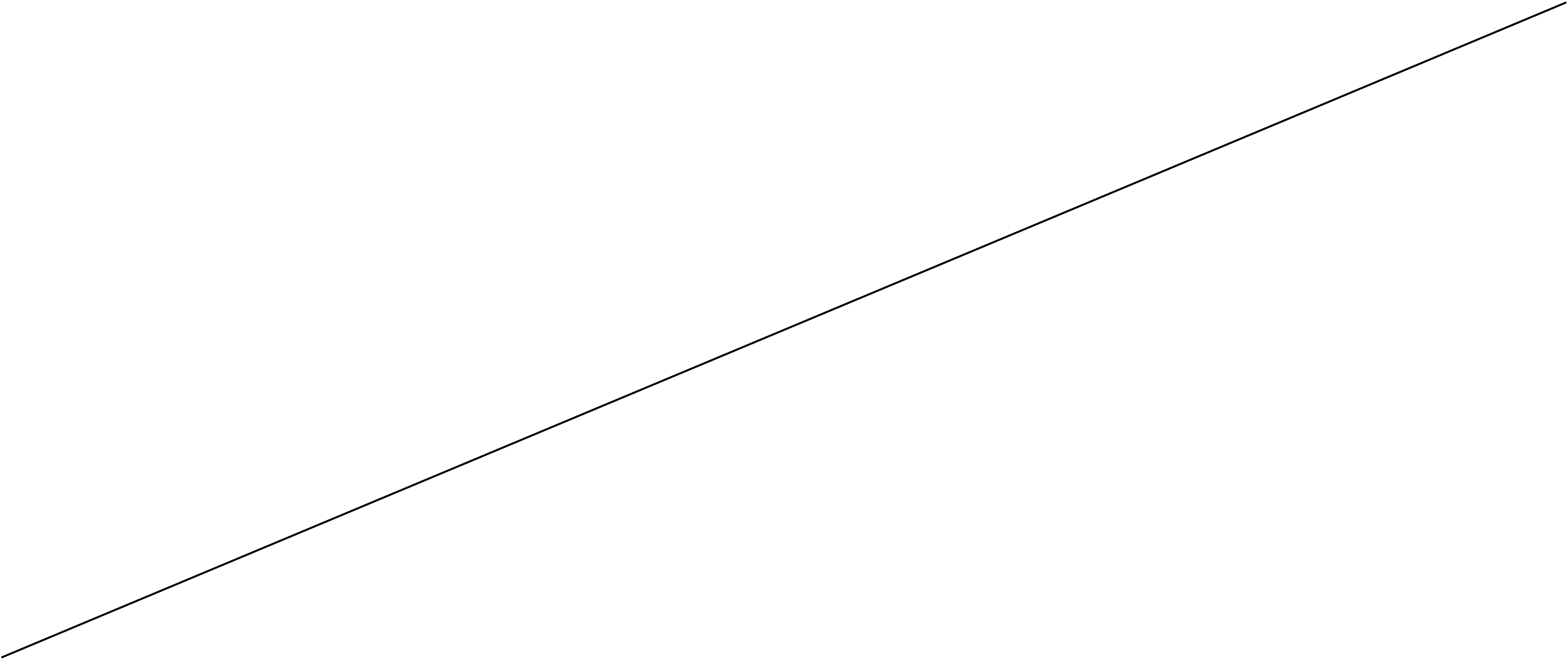
Qs

=

-9

If P = 0

Qs = 9



New Supply

0

=

-

9

+

4

.

5

P

9

=

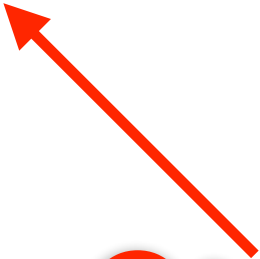
4

.

5

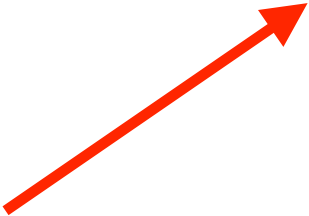
P

$P = 9/4.5$

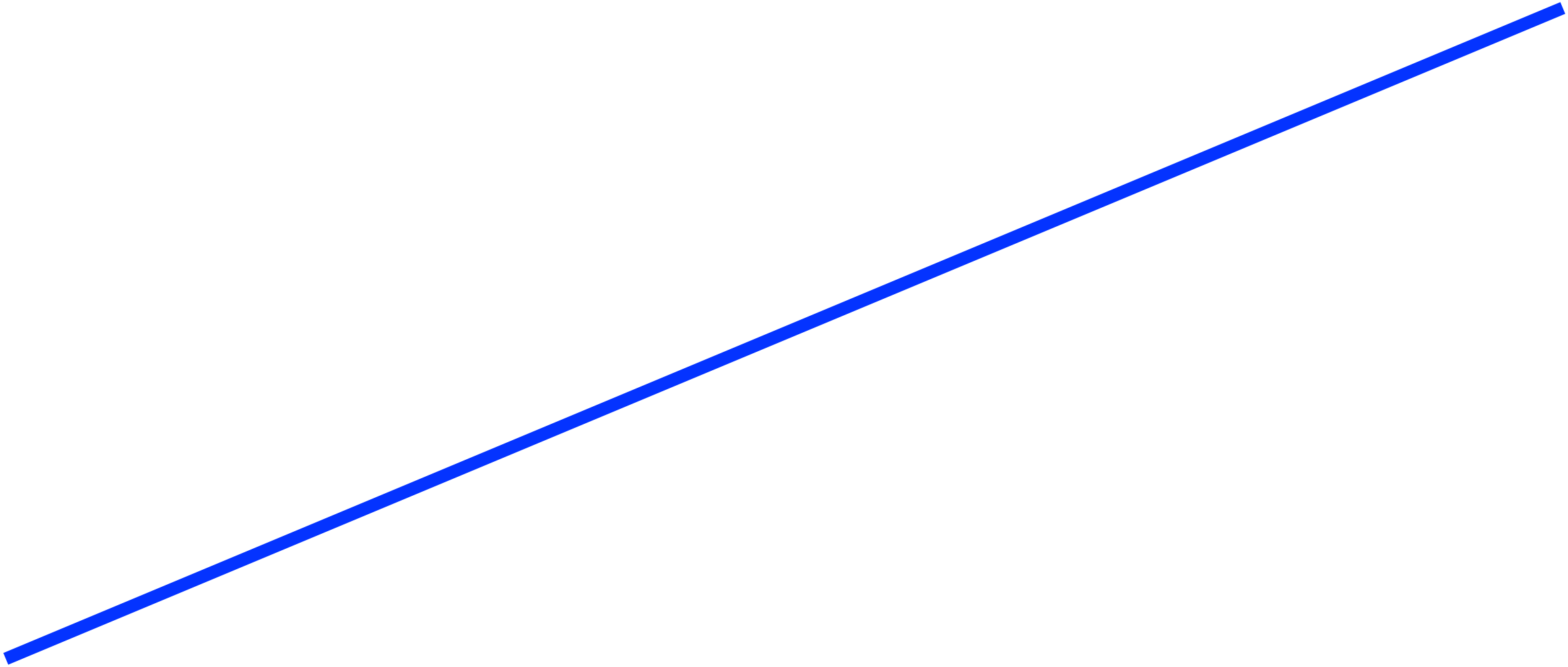


$$Q^s = 0$$

$$P = 0$$







Qs = -10 + 5P

Due to an increase in costs, producers sell

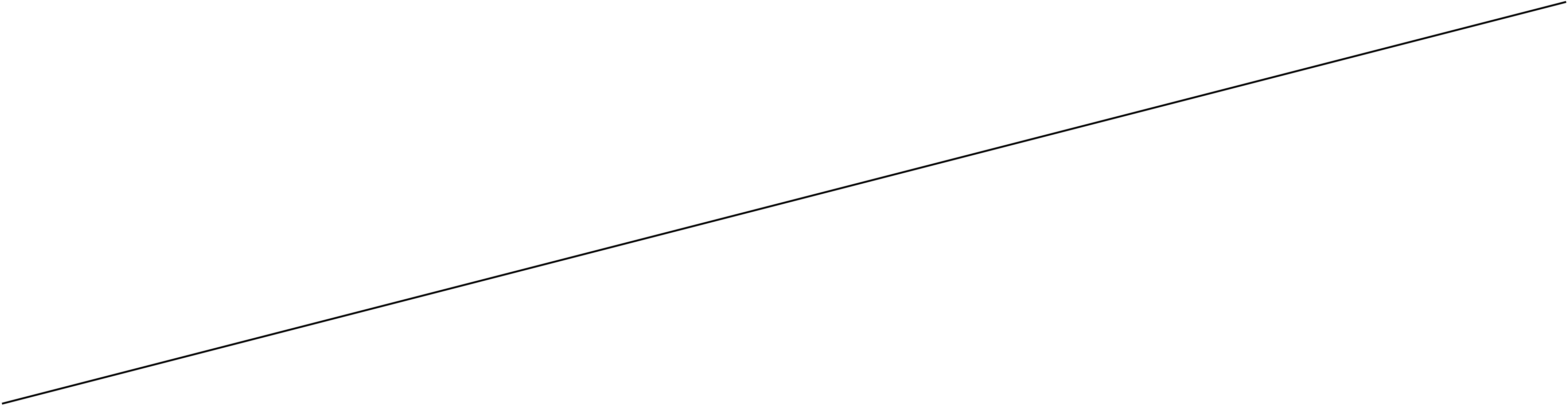
10% fewer units at all prices

$$Q^s = (-10 + 5P) \quad (0.9)$$

$$Q^s \equiv -10(0.9) + 5P(0.9)$$

The new supply is only 90% of the old supply

Qs = -10





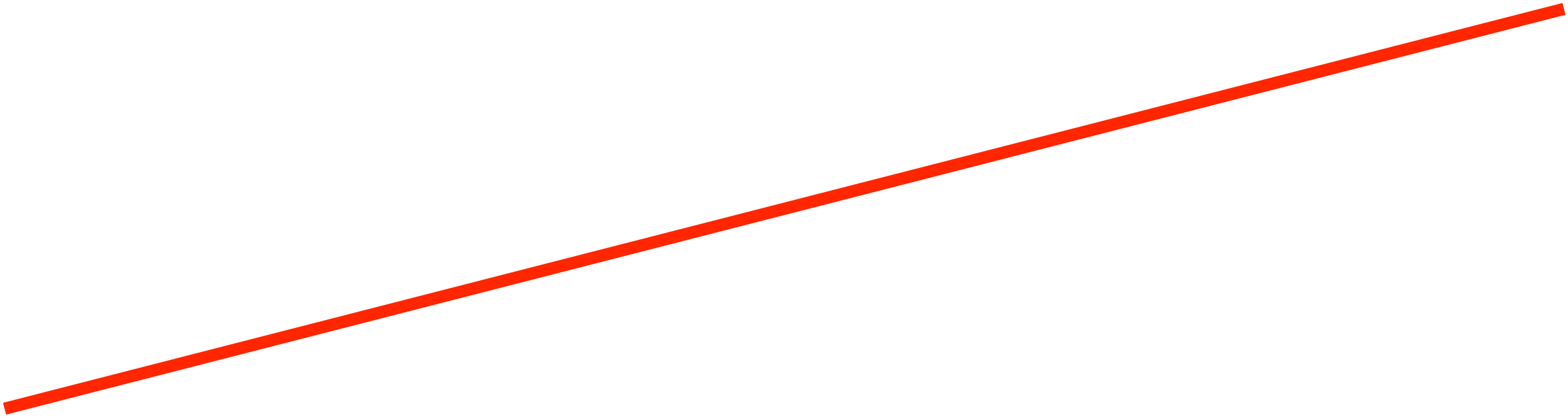
Original Supply



P

=

2





P

=

2



S





9

e

2







slope = 2^{19}





a





e



S



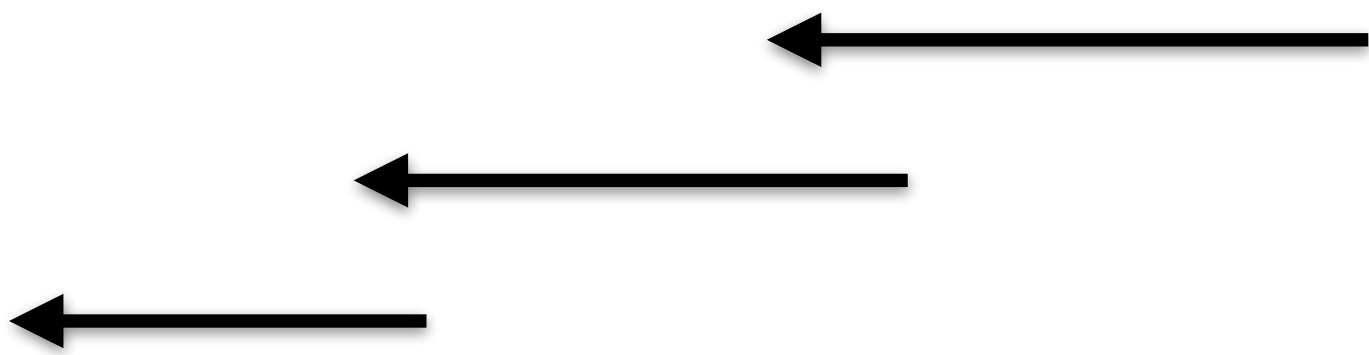


e









NOT a parallel shift



$$\text{Slope} = 2/10$$

Flatter

Steep(er)

Due to an increase in costs, producers sell
10% fewer units at all prices

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

$$Q^s = (-10 + 5P) (0.9)$$

$$Q^s = -10 (0.9) + 5P (0.9)$$

$$Q^s = -9 + 4.5P$$

If $Q^s = 0$

$$0 = -9 + 4.5P$$

$$9 = 4.5P$$

$$P = 9/4.5$$

$$P = 2$$

