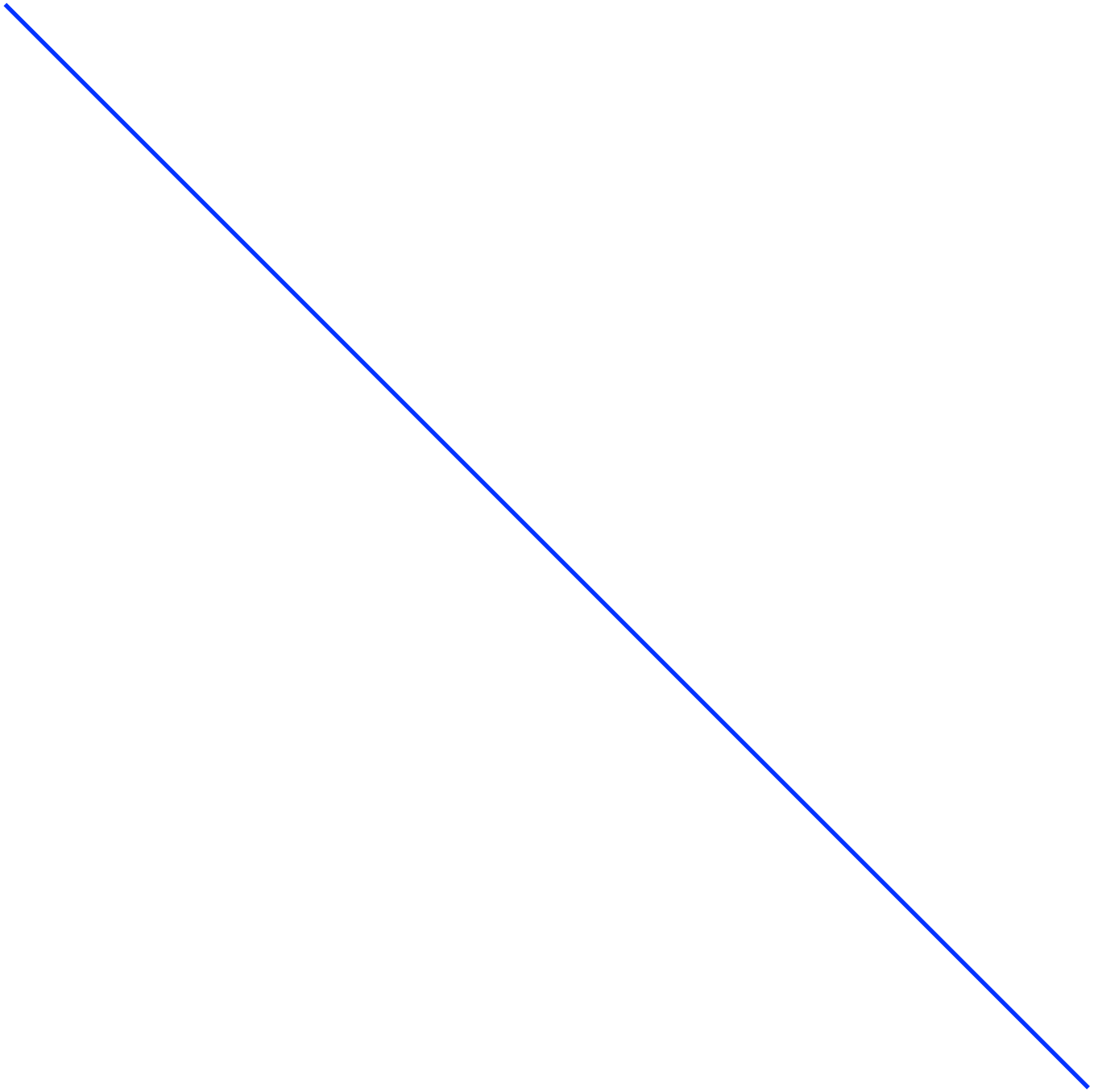


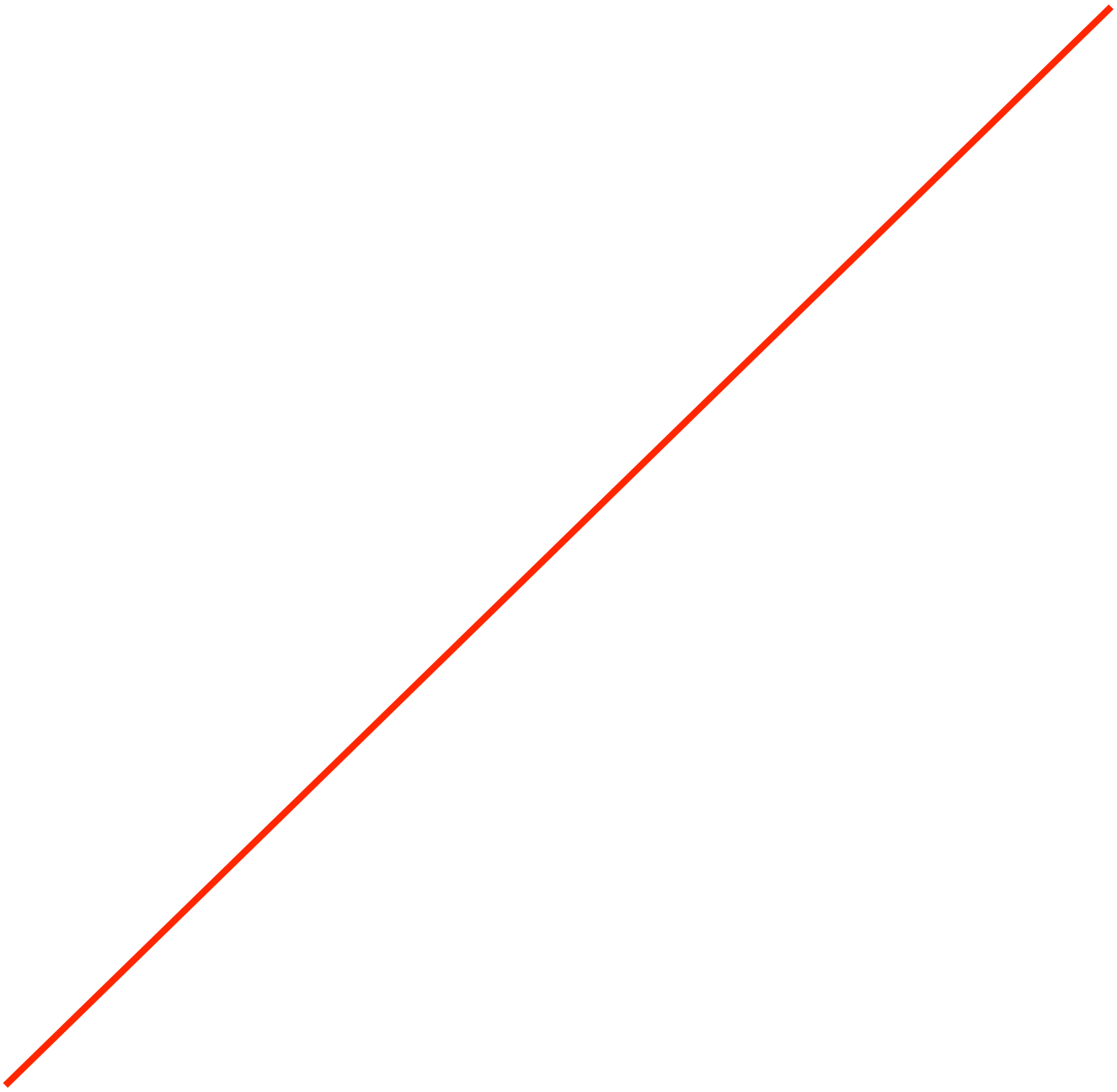
Price





Number of units
buyers want to buy at
different prices





Number of units
Suppliers want to sell
at different prices

100

25



Demand

Supply

Excess Demand

75 units

Market Forces: The Supply and Demand Model

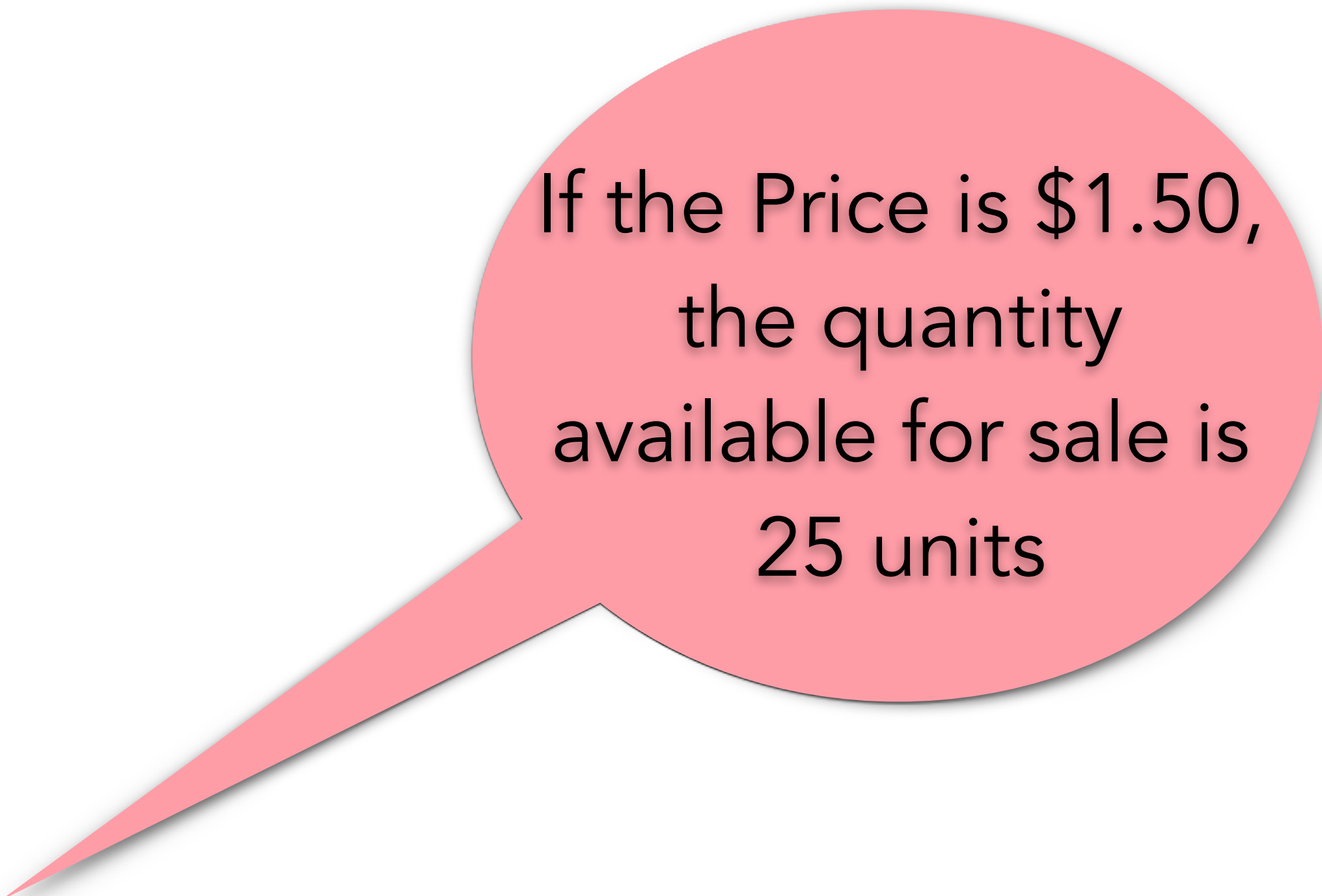
Qs

Qd

\$1.50

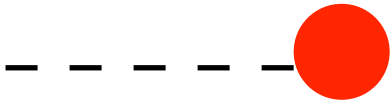


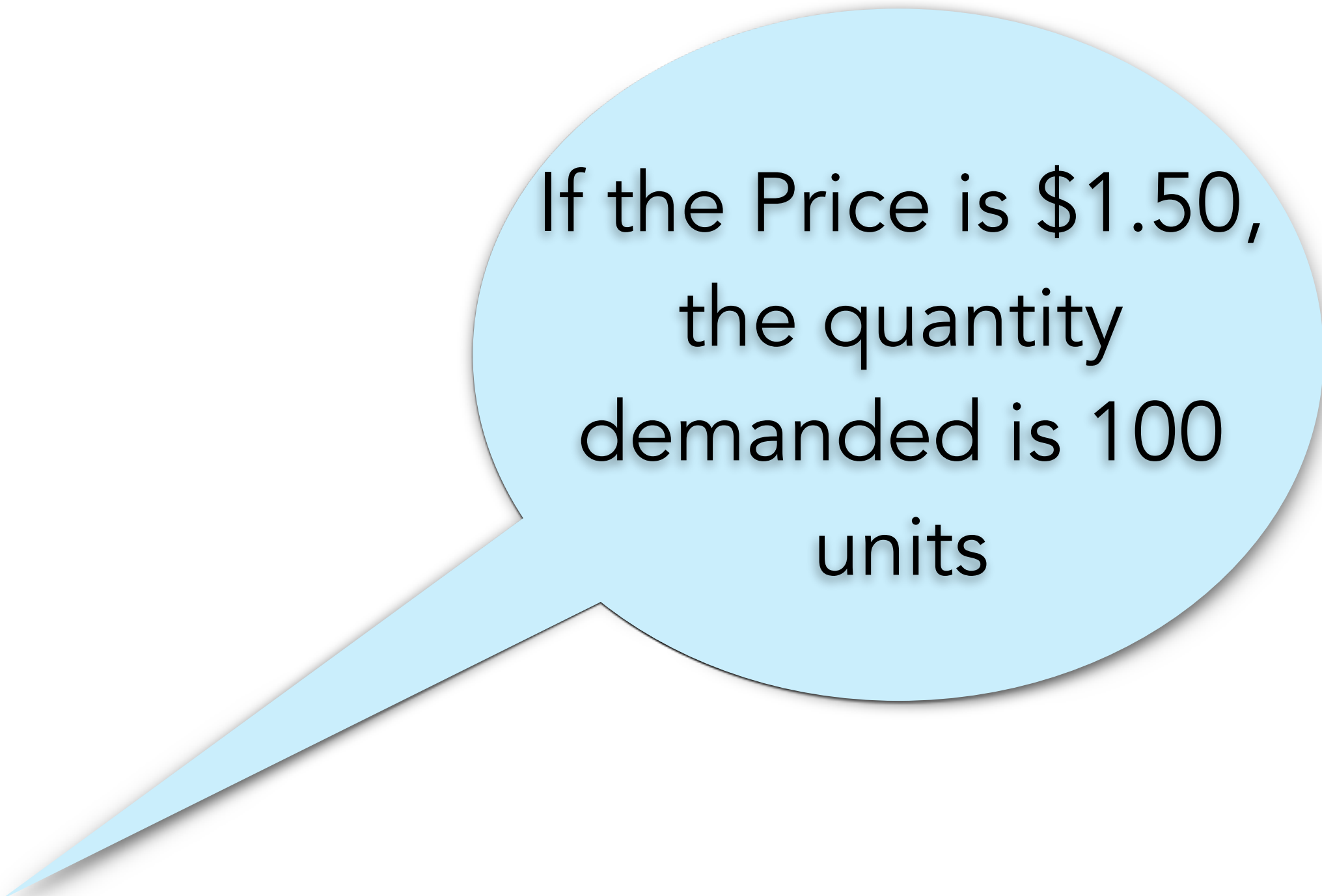
Quantity



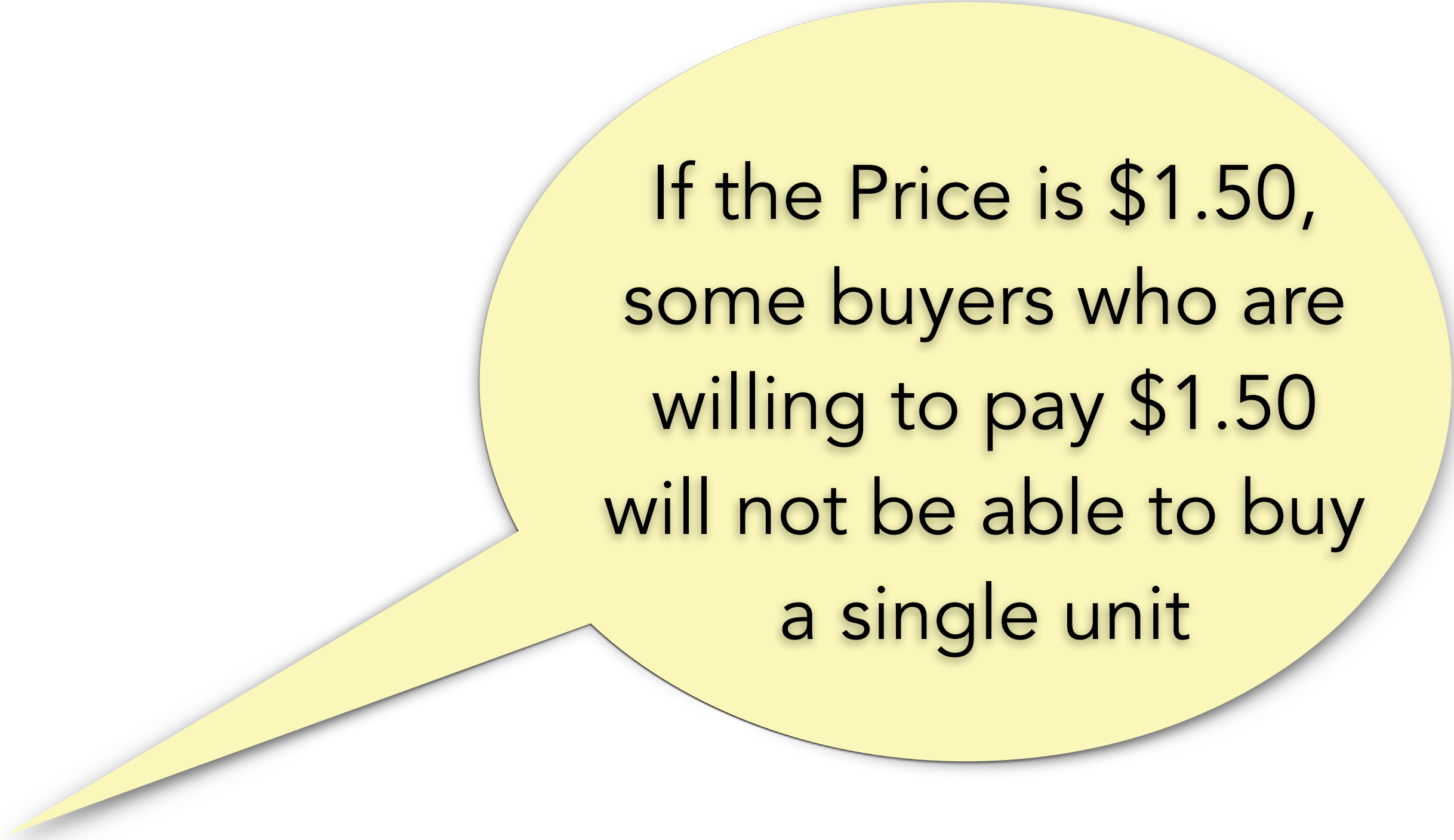
If the Price is \$1.50,
the quantity
available for sale is
25 units

\$1.50





If the Price is \$1.50,
the quantity
demanded is 100
units



If the Price is \$1.50,
some buyers who are
willing to pay \$1.50
will not be able to buy
a single unit



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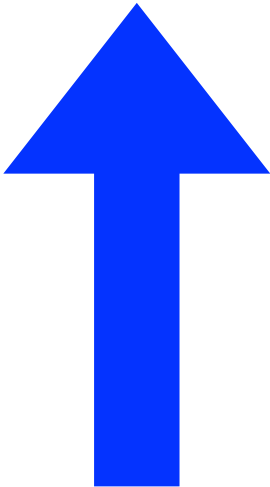
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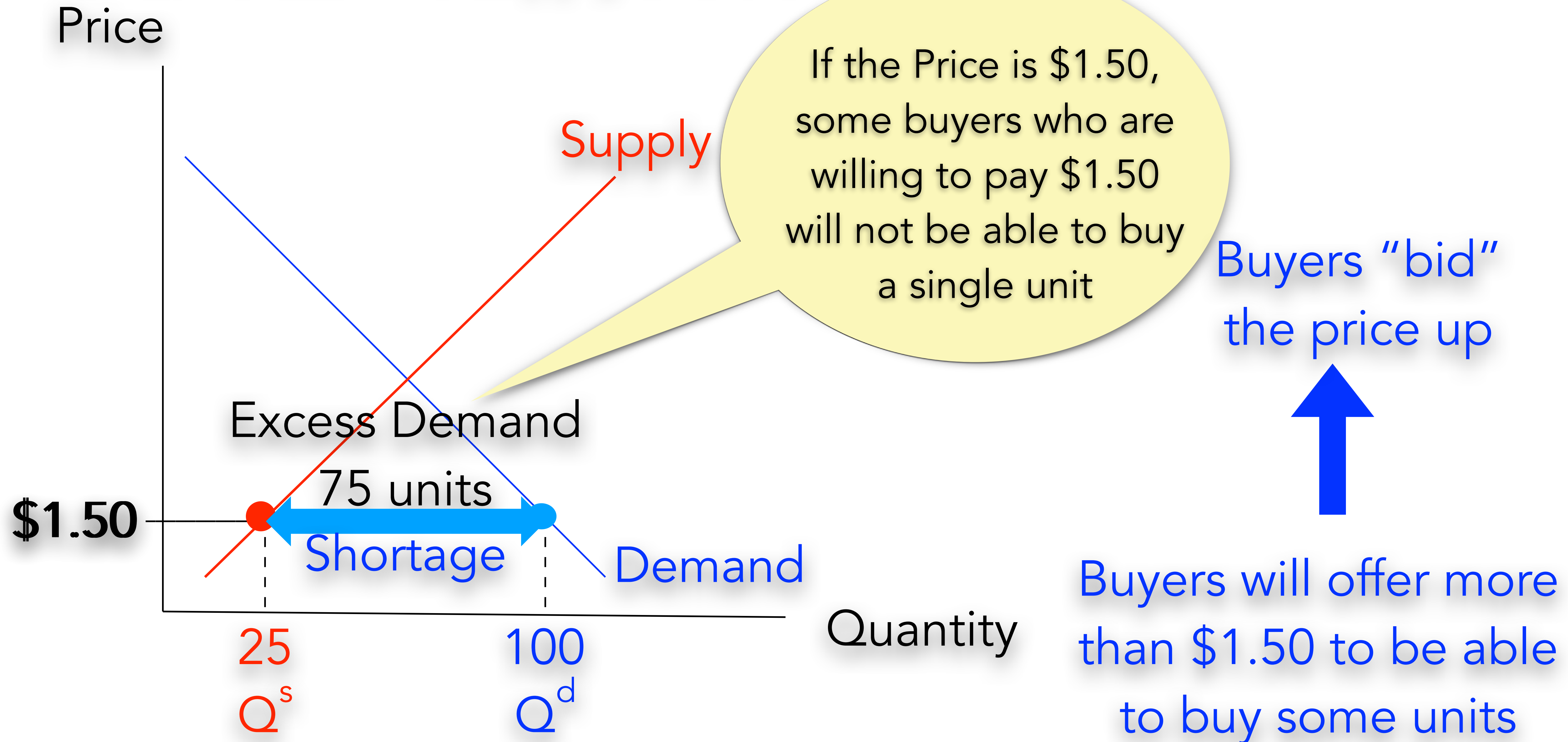
C

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u

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Market Forces: The Supply and Demand Model



Market Forces: The Supply and Demand Model

Price

