



If the price is \$320 is the market in equilibrium?

Will there be a surplus or a shortage?

If so, what is the size of the surplus or shortage?

What do you expect will happen to the price?

What price do you predict for this market?

320

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10

30

Q^d

Q^s



Surplus

No

$$30 - 10 = 20$$

Sellers will bid the price down

Sellers will bid the price down
until the price equals $P_e = 300$

Surplus

Pe = 300

20

Q_e



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