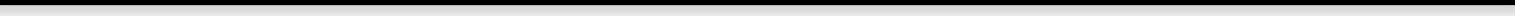
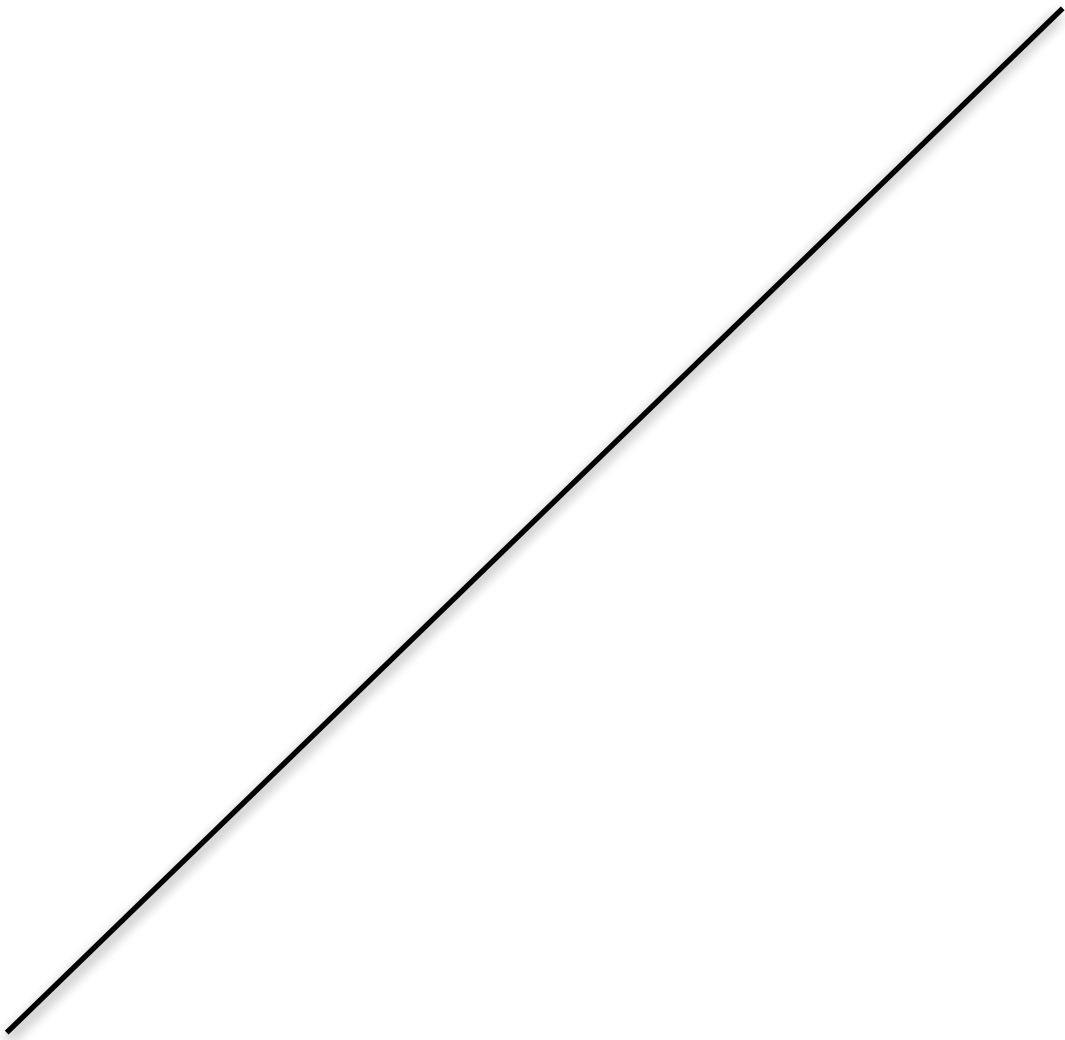


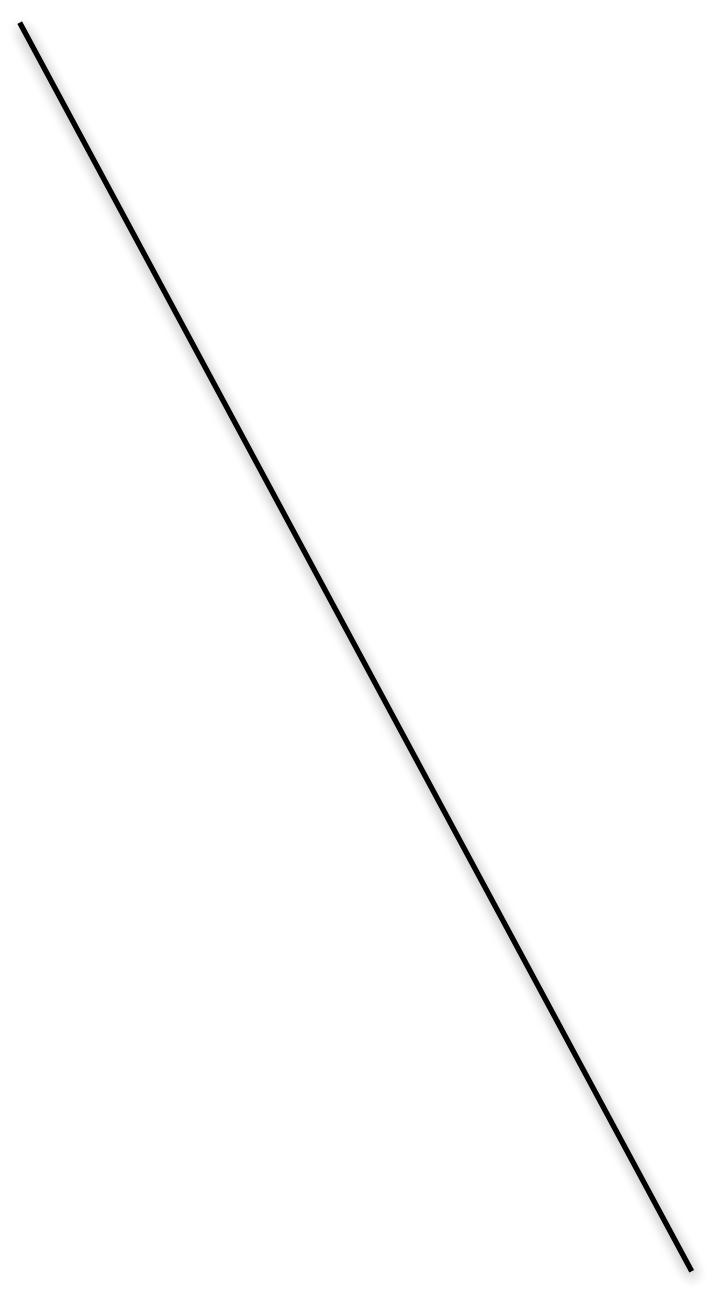
To calculate the **resulting** change in **equilibrium price**

use the following formula:



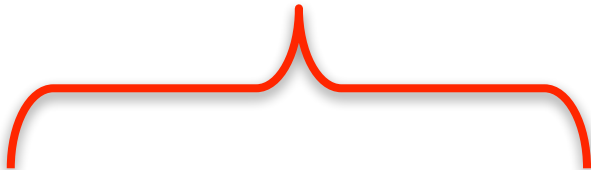






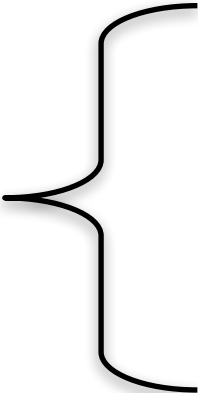


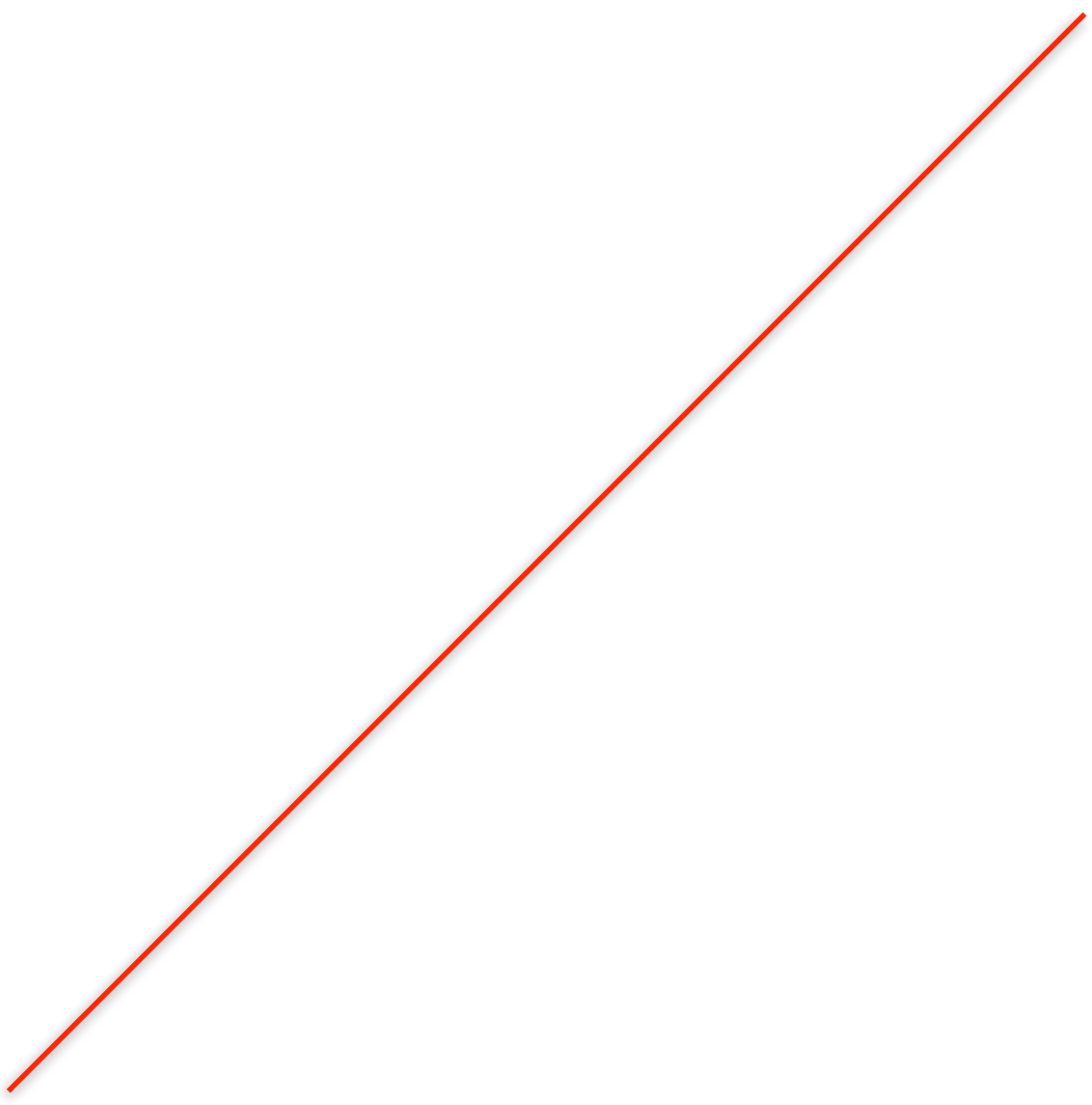
$\% \Delta \text{Supply}$











Peo



Q0

P_{e1}

Q1



$\% \Delta \text{Supply}$

$(e^d + e^s)$

$\% \Delta$ Equilibrium
Price









Negative!!!



If supply increase, *equilibrium* price decrease

So

S₁

Do







Absolute Value

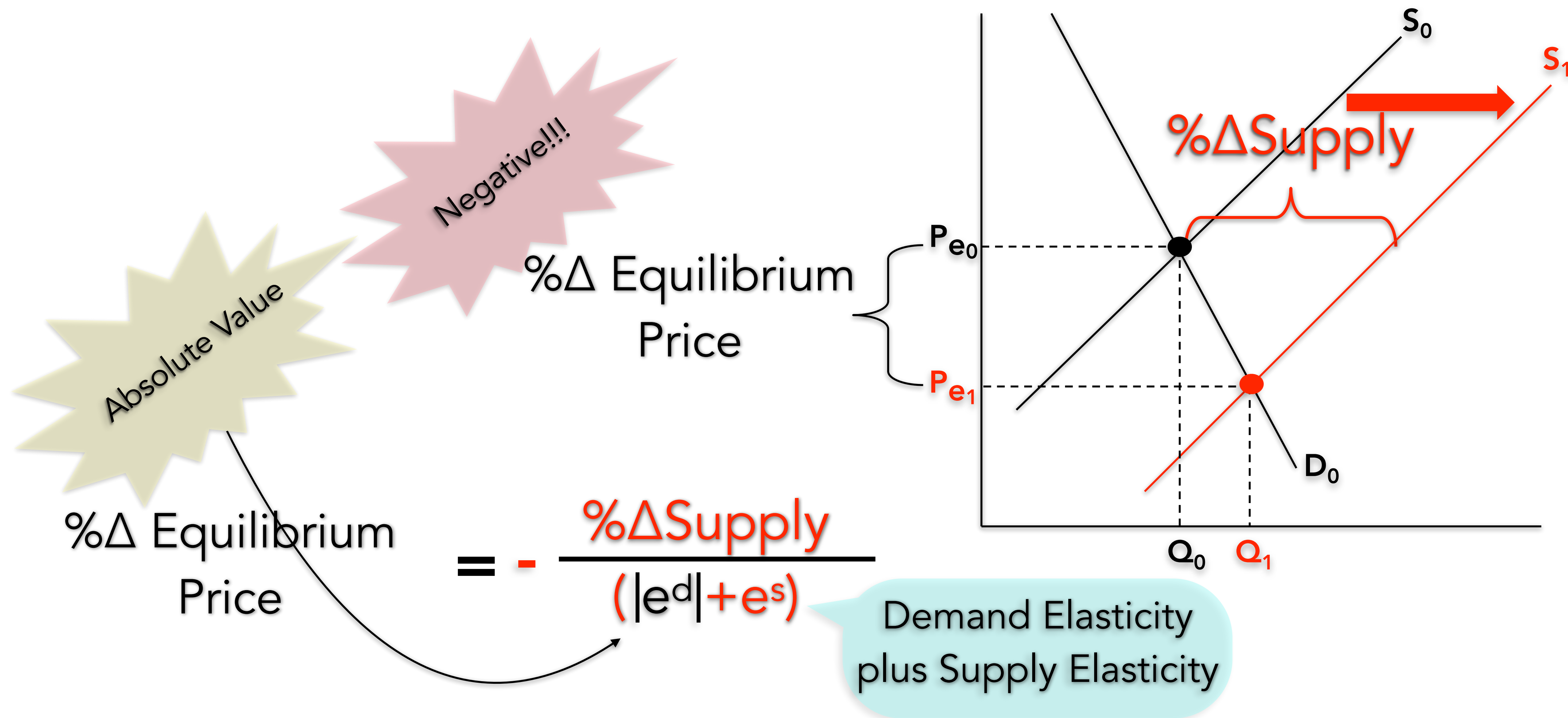
The Effect of an Increase in Supply

$\% \Delta$ Equilibrium
Price



Demand Elasticity
plus Supply Elasticity

To calculate the **resulting** change in **equilibrium price**
use the following formula:



If supply increase, **equilibrium** price decrease

