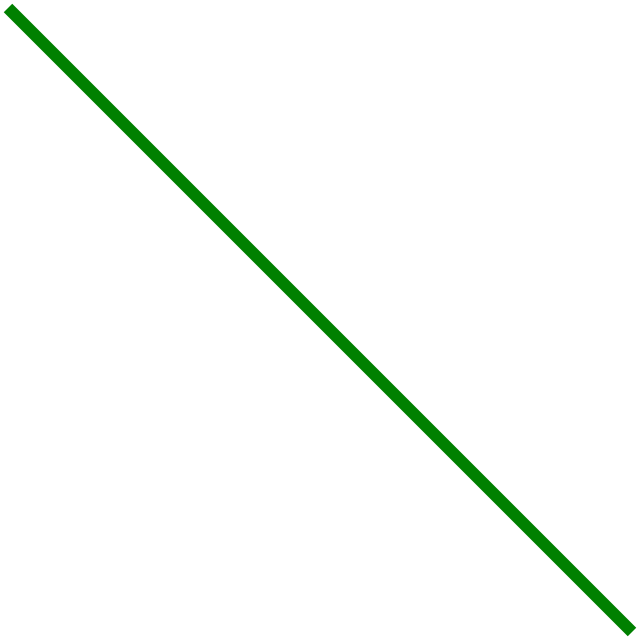
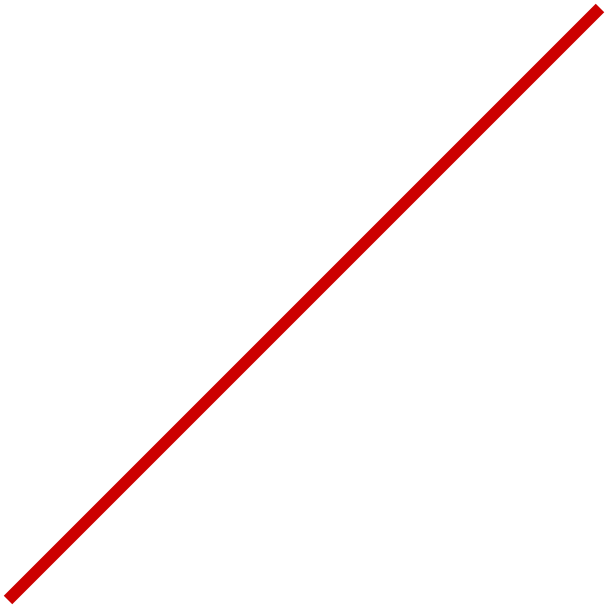




**Shortages Occur when the
Market Price is below Equilibrium**











Quantity
Demanded

Quantity
Supplied

Supply

Denand






Po

50

30

20





Shortages occur
because the price is
“too” low

P

e



Shortages Occur when the Market Price is below Equilibrium

