

a) There are no more Picasso Blue Period works available right now. This means the supply curve is a vertical line at the quantity of 1,000

b) Since supply is fixed, the price of a Picasso Blue Period work is entirely determined by demand. Any change in demand is fully reflected in a change in price

c) This is the result of a rightward shift of the demand curve for these works from D_1 to D_2 , and the Equilibrium changes from E_1 to E_2 . But since no more works are available, this increase in demand simply results in an increase in the equilibrium price.