3. Given the following data, identify the amount of shortage or surplus that would exist at a price of

(*a*) $5.00 \_\_\_\_\_\_\_\_\_\_\_\_\_

(*b*) $3.00 \_\_\_\_\_\_\_\_\_\_\_\_\_

(*c*) $1.00 \_\_\_\_\_\_\_\_\_\_\_\_\_

A. Price $5.00 $4.00 $3.00 $2.00 $1.00 $5.00 $4.00 $3.00 $2.00 $1.00

B. Quantity demanded C. Quantity supplied

Al 1 2 3 4 5 Alice 3 3 3 3 3

Betsy 0 1 1 1 2 Butch 7 5 4 4 2

Casey 2 2 3 3 4 Connie 6 4 3 3 1

Daisy 1 3 4 4 6 Dutch 6 5 4 3 0

Eddie 1 2 2 3 5 Ellen 4 2 2 2 1

 Market total \_\_ \_\_ \_\_ \_\_ \_\_ Market total \_\_ \_\_ \_\_ \_\_ \_\_

6. In Figure 3.8 how many more people would live if the prohibition on selling human organs

were lifted?

7. In Figure 3.8, when a price prohibition is imposed on the organ market by how much does

(*a*) The quantity of organs demanded increase?

(*b*) The quantity of organs supplied decrease?

(*c*) How large is the resulting shortage?



8. Illustrate on the graphs below:

(*a*) The rise in the price of gasoline.

(*b*) The change in the quantity of gasoline demanded.

(*c*) The new equilibrium in the bus market.

(*d*) What determinant of bus demand changed?



9. Use the following data to draw supply and demand curves on a graph, use Excel.

Price $ 8 7 6 5 4 3 2 1

Quantity demanded 2 3 4 5 6 7 8 9

Quantity supplied 10 9 8 7 6 5 4 3

(*a*) What is the equilibrium price?

(*b*) If a *minimum* price (price floor) of $6 is set, what disequilibrium results?

(*c*) If a *maximum* price (price ceiling) of $3 is set, what disequilibrium results?