**Assignment 2**

1. Office building maintenance plans call for the stripping, waxing, and buffing of ceramic floor tiles. This work is often contracted out to office maintenance firms, and both technology and labor requirements are very basic.  Supply and demand conditions in this perfectly competitive service market in New York  are:

Supply: QS = 2P - 20

Demand: QD = 80 - 2P, where

Q = thousands of hours of floor reconditioning per month

P = the price per hour.

a. Algebraically determine the market equilibrium price/output combination.

b. Use a graph to confirm your answer.

*For the graph, use prices: 10, 20,30,40,50,60,70,80,90*

1. The figure below shows a firm in a perfectly competitive market.

