

# EXERCISE 1: DRAWING A SUPPLY AND DEMAND MODEL

Data:

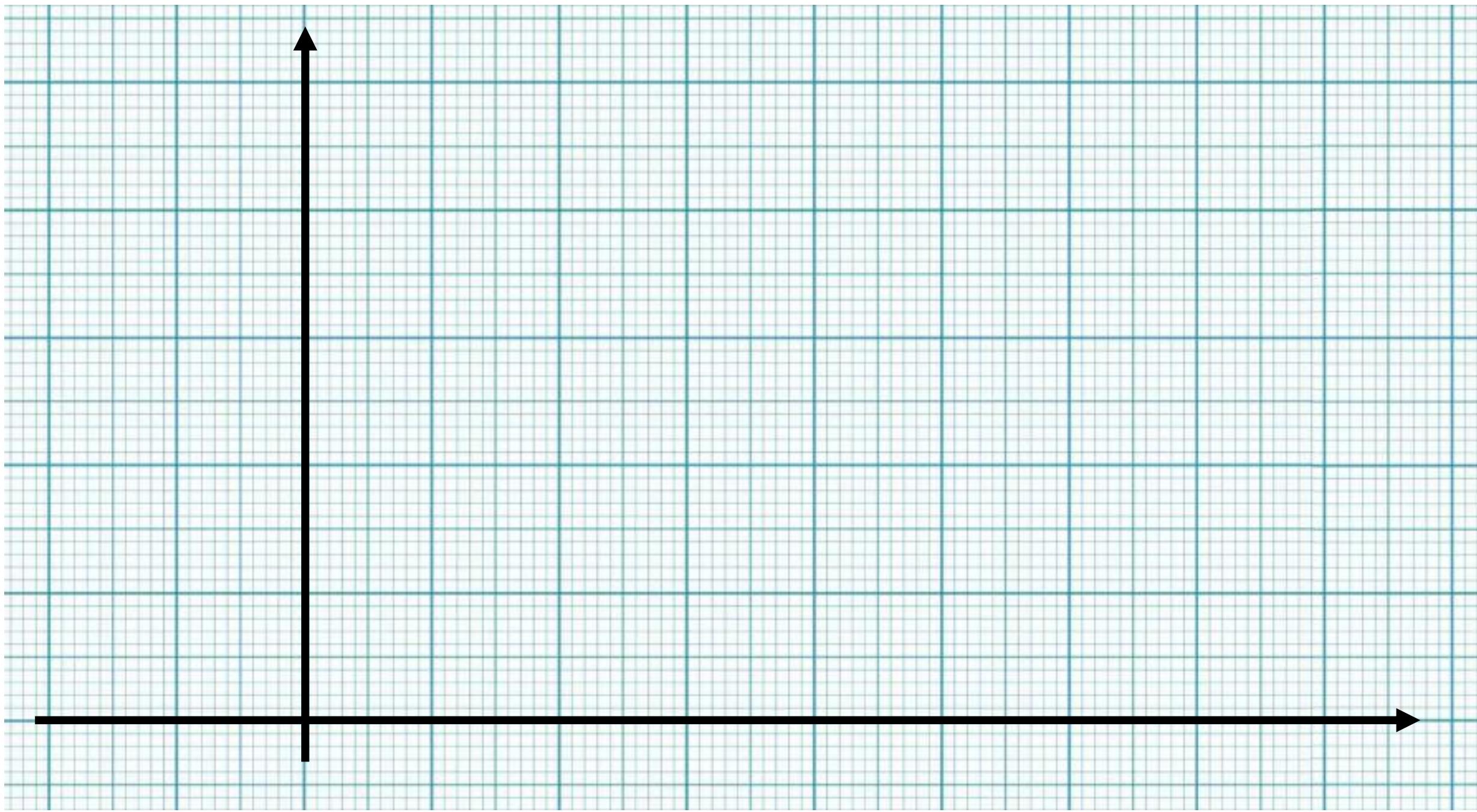
$$Q_d = -25P + 400$$

$$Q_s = 50P - 200$$

Assignment:

Draw this supply and demand model

Indicate the equilibrium price and equilibrium quantity



# EXERCISE 2: DRAWING A SUPPLY AND DEMAND MODEL

Data:

Take the supply and demand model of exercise 1 as a starting-point

$$Q_d = -25P + 725 \text{ (D increased by 325)}$$

$$Q_s = 50P - 100 \text{ (S increased by 100)}$$

Assignment:

Draw this new supply and demand model

Indicate the new equilibrium price and the new equilibrium quantity

## EXERCISE 3: CALCULATING COSTS AND REVENUE

## Assignment:

## Complete the table

Q	P	TR	AR	MR	TFC	TVC	TC	AC	MC	TP
0	45									-100
30	40							20		
60						900				20
90	30									
120	25					10				0