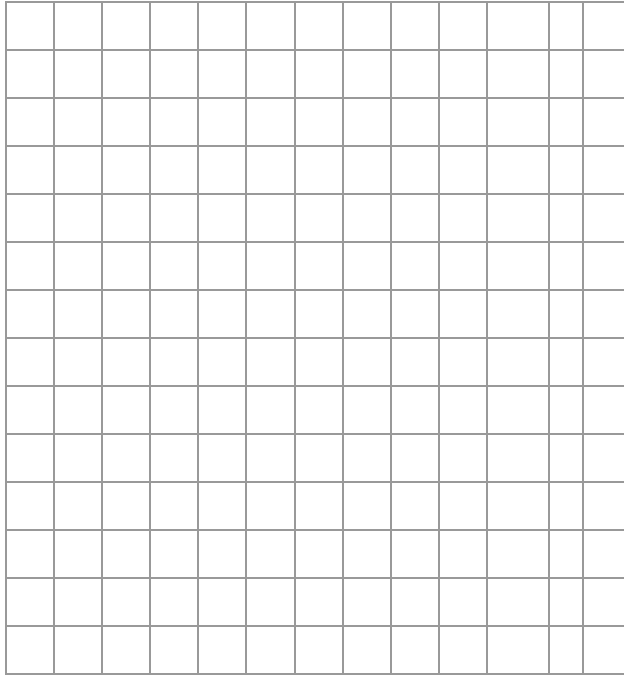


Chapter 6 Section 1

Please graph and label. P, Q, S, D.

Price	Quantity Supplied	Quantity Demanded
7.00	70	10
6.00	60	20
5.00	50	30
4.00	40	40
3.00	30	50
2.00	20	60
1.00	10	70



Please define these terms.

Equilibrium:

Shortage:

Surplus:

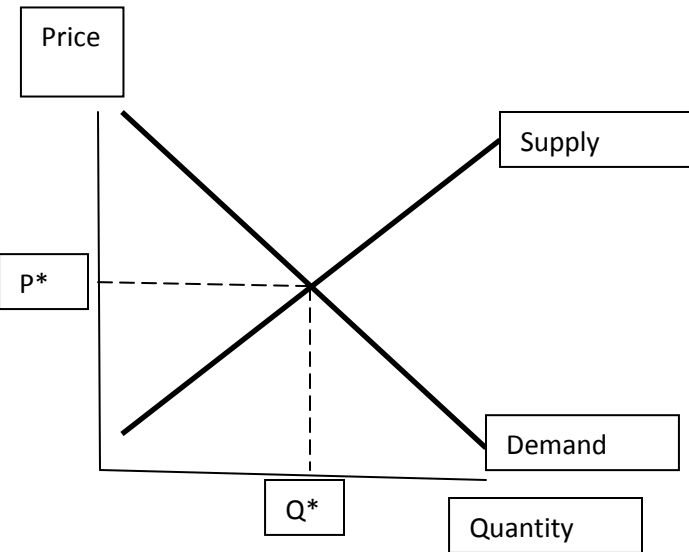
- Equilibrium Price:
- Equilibrium Quantity:
- Disequilibrium:

- Back to our graph....
- What is the situation at a price of \$6? _____ by how much? _____
- What is the situation at a price of \$2? _____ by how much? _____

Shifts in Demand and Supply

What happens to equilibrium price and quantity in each situation?

1. Increase in Supply P^* _____ Q^* _____



2. Decrease in Supply: P^* _____ Q^* _____

