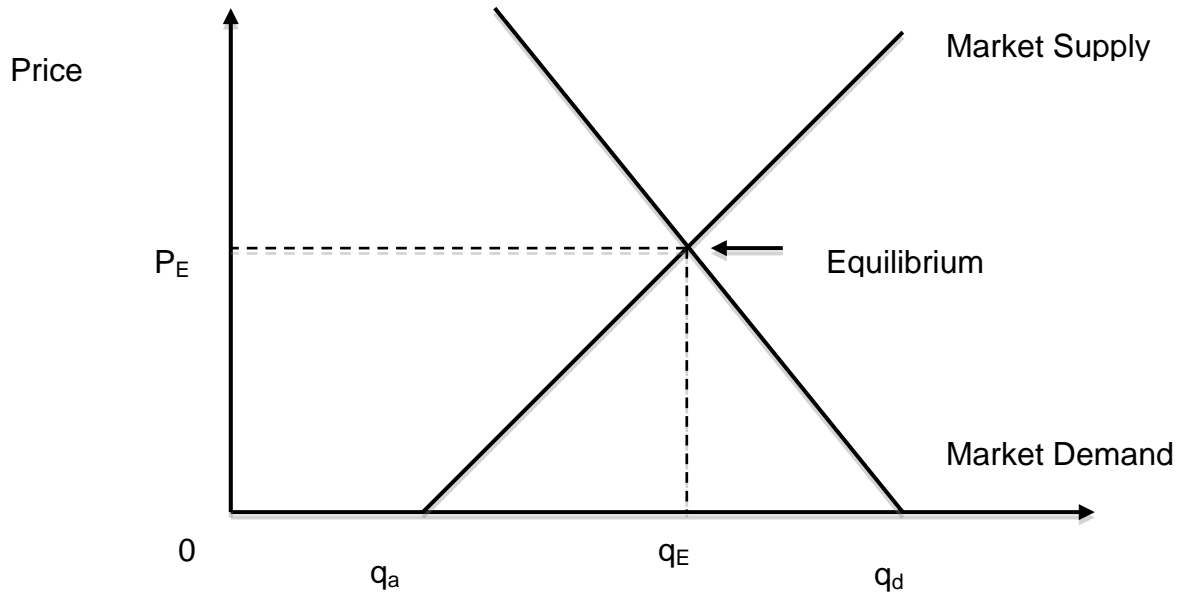


Supply and Demand: Price Ceilings



1. In the above figure, when a price ceiling of zero is imposed on the organ market by how much does the quantity of organs demanded increase?
 From ____ to ____ or no change
2. In the above figure, when a price ceiling of zero is imposed on the organ market by how much does the demand increase?
 From ____ to ____ or no change
3. In the above figure, when a price ceiling of zero is imposed on the organ market by how much does the quantity of organs supplied decrease?
 From ____ to ____ or no change
4. In the above figure, when a price ceiling of zero is imposed on the organ market by how much does the supply decrease?
 From ____ to ____ or no change

Answers:

1. From q_E to q_d . The price ceiling causes a movement along the demand curve, changing the quantity demanded.
2. No change. The change in price does not shift the demand curve. A change in price never shifts either curve.
3. From q_E to q_a . The price ceiling causes a movement along the supply curve, changing the quantity supplied.
4. No change. The change in price does not shift the supply curve.