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 qE to qd. 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 qE to qa. 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.