

1. On graph paper, draw a

a) demand curve

b) supply curve

for the prices and quantities shown in Figure 7.11

FIGURE 7.11

Data table for Self-Reflect questions

Price of Product	Quantity Demanded (Q_d)	Quantity Supplied (Q_s)
\$2.00	100	190
\$1.80	120	180
\$1.60	140	170
\$1.40	160	160
\$1.20	180	150
\$1.00	200	140
\$0.80	220	130

2. On a separate graph, show an equilibrium.

3. Shade in the areas of the graph that represent (a) a surplus; and (b) a shortage if prices higher and lower than the equilibrium price were to be set.