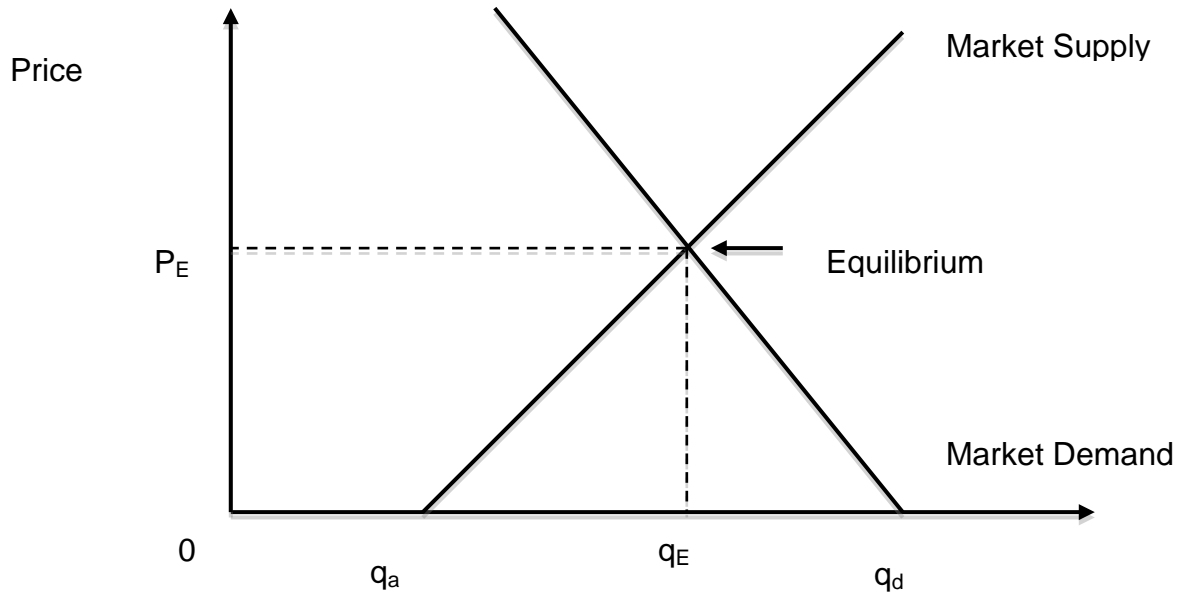


# Supply and Demand: Price Ceilings



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.