

Solutions

Each answer shows the steps, then the **result**.

2.1

- the price and quantity at which quantity supplied equals quantity demanded

2.2

- it falls

2.3

- price falls and quantity rises

3.1 B

3.2 B

3.3

(a)

- it falls

(b)

- it rises

(c)

- the price becomes indeterminate (quantity clearly rises)