2.7 Market Disequilibrium and Changes in Equilibrium

Name: ____________ Class: ________ Date: __________ **Total: 9 marks**

KEY WORDS surplus 过剩 • shortage 短缺 • equilibrium 均衡 • demand 需求 • supply 供给

Objective

Build the skills to answer exam questions on **market disequilibrium and changes in equilibrium**.

You must be able to:

- explain how a price above equilibrium creates a **surplus 过剩** and below creates a **shortage 短缺**
- predict the new equilibrium after a **shift** in demand or supply
- analyse a **simultaneous shift** and identify the **indeterminate** outcome

1 Worked examples

Study these first. Each one shows the method for a question type used later.

■ Surplus and shortage

A price **above** equilibrium leaves a **surplus** (price falls back); a price **below** leaves a **shortage** (price rises back).

■ Single shifts

- Demand **right** → price up, quantity up.
- Supply **right** → price down, quantity up.

■ Simultaneous shifts

When **both** curves shift, one of price or quantity is clear and the **other is indeterminate** (depends on the relative sizes of the shifts).

2 Practice

2.1 State what happens at a price above the equilibrium price. [1]

2.2 State the effect of an increase in supply on equilibrium price and quantity. [2]

2.3 State what makes an equilibrium outcome indeterminate. [1]

3 Exam-style questions

3.1 A price below equilibrium creates a [1]

A surplus
B shortage
C new equilibrium
D tax

3.2 If demand rises and supply falls at the same time, the change in equilibrium **quantity** is [1]

A definitely up
B definitely down
C indeterminate
D always zero

3.3 In a market, demand increases.

(a) State the effect on the equilibrium price. [1]

(b) State the effect on the equilibrium quantity. [1]

(c) If supply **also** rises at the same time, state which variable becomes indeterminate. [1]