

Supply Schedule for gas

\$	<i>QTY</i>
2.00	6 million
1.75	5 million
1.50	4 million
1.25	3 million
1.00	2 million

Demand Schedule for gas

\$	<i>QTY</i>
2.00	2 million
1.75	3 million
1.50	4 million
1.25	5 million
1.00	6 million

- Using the supply & demand schedules, draw a graph representing the information. Be sure to label the graph completely.
- What is the equilibrium price and quantity for gas? _____
- Assume the government puts a price ceiling on gas. Draw a price ceiling on the graph above.
- Will this price ceiling result in a market equilibrium, surplus or shortage? If a shortage or surplus, by how many units over or under will you be? _____

Supply Schedule for Steel

\$	<i>QTY</i>
400	7 million tons
350	6 million tons
300	5 million tons
250	4 million tons
200	3 million tons

Demand Schedule for Steel

\$	<i>QTY</i>
400	3 million tons
350	4 million tons
300	5 million tons
250	6 million tons
200	7 million tons

- Using the supply & demand schedules, draw a graph representing the information. Be sure to label the graph completely.
- What is the equilibrium price and quantity for steel? _____
- Assume the government, fearing a collapse of the steel industry, puts a price floor on steel. Draw this price floor on the graph.
- Will this price floor result in a market equilibrium, surplus or shortage? If a shortage or surplus, by how many units over or under will you be? _____
- Economically speaking*, do price floors and ceiling seem like a good idea? Why?