

Equilibrium

Unit 2: Demand, Supply, Equilibrium

What is **Equilibrium**? _____

What is **Disequilibrium**? _____

Interactions between buyers and sellers will...

Unless _____

What is a **Price Ceiling**?

What is **Rent Control**?

What is a **Price Floor**?

What is **Minimum Wage**?

What are **Luxury or “Sin” Taxes**? _____

What is the problem with **Price Floors and Ceilings**?

Changes in Equilibrium:

1. **Change in Supply**

2. **Change in Demand**

3. **Change in Price**

What are the **Advantages of Prices?**

1. **Prices as an Incentive**

2. **Prices as Signals**

3. **Flexibility of Prices**

4. **Price System is “Free”**

How does **Scarcity** of an item affect Price? _____

How does a **Boycott** affect Price? _____

How does **The War in Afghanistan** affect Price? _____
