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]

Solutions

2.1 a surplus forms and the price falls back toward equilibrium.

2.2 the price falls and the quantity rises.

2.3 when both curves shift, so the effect on one variable depends on the relative sizes of the shifts.

3.1 **B**.

3.2 **C** — price definitely rises, but quantity is indeterminate.

3.3 (a) it rises. (b) it rises. (c) the price becomes indeterminate.