TABLE

A1

Demand and supply

Cups of coffee a day at the cart outside the library, at each whole-dollar price.

PRICE A CUP	CUPS WANTED	CUPS OFFERED	SHORTAGE OR SURPLUS
$2	80	20	Shortage 60
$3	70	30	Shortage 40
$4	60	40	Shortage 20
$5	**50**	**50**	**None**
$6	40	60	Surplus 20
$7	30	70	Surplus 40
$8	20	80	Surplus 60

At $5 the cups wanted equal the cups offered: 50 a day.

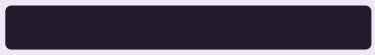
Source: invented for teaching. See Notes on the data.

TABLE

A2

Spending at each price

What buyers spend in a day: price times cups wanted, if the cart pours every cup asked for.

PRICE A CUP	CUPS WANTED	SPENT A DAY	
$2	80	$160	
$3	70	$210	
$4	60	$240	
$5	**50**	**$250**	
$6	40	$240	
$7	30	$210	
$8	20	$160	

Spending peaks at $5. From $4 to $5 it still rises, so demand there is inelastic, as Lecture 3 finds.

Source: invented for teaching. See Notes on the data.

TABLE

A3

Four weeks at the cart

The equilibrium when demand, supply or both shift.

WEEK	DEMAND Q_D	SUPPLY Q_S	PRICE	CUPS
Usual	100 − 10P	10P	$5	50
Exam week	120 − 10P	10P	$6	60
Dearer milk	100 − 10P	10P − 20	$6	40
Both at once	120 − 10P	10P − 20	$7	50

> Exam week adds 20 cups of demand at every price. Dearer milk takes 20 cups off supply.

Source: invented for teaching. See Notes on the data.

TABLE

A4

When a rule sets the price

Cups a day with no rule, with a price ceiling at $3 and with a price floor at $7.

RULE	PRICE	WANTED	OFFERED	SOLD	GAP
No rule	$5	50	50	50	None
Ceiling	$3	70	30	30	Short 40
Floor	$7	30	70	30	Over 40

> Either rule cuts the cups sold from 50 to 30: only the smaller of wanted and offered changes hands.

Source: invented for teaching. See Notes on the data.

TABLE

A5

Survey: the most they would pay

100 students who pass the cart each weekday, asked the most they would pay for their first cup of the day.

MOST THEY WOULD PAY	STUDENTS	CUPS WANTED
$8 to $10	20	20 at $8
$6 to $7.99	20	40 at $6
$5 to $5.99	**10**	**50 at $5**
$4 to $4.99	10	60 at $4
$2 to $3.99	20	80 at $2
Under $2	20	100 at $0

> Add the students from the top down and you get table A1's cups wanted: 100 − 10P.

Source: invented for teaching. See Notes on the data.

ABOUT THE TABLES

Notes

Notes on the data

Every figure here is invented for teaching.

- No real cart, cafe or student was counted or surveyed.
- **A1 to A4** follow the model in Lecture 3: demand $Q_d = 100 - 10P$ and supply $Q_s = 10P$, which meet at \$5 and 50 cups.
- **A2** assumes every cup asked for is poured. Below \$5 the cart would in fact run short.
- **A5** spreads its 100 students evenly from \$0 to \$10. That is what makes demand a straight line.
- Prices are in dollars a cup; quantities are in cups a day.