

Name:

Five Minute Exercise

Market Equilibrium with Multiple Buyers

Given:

There are three price-taking buyers.

Buyer 1's willingness to pay is $W_1 = 100 - Q_1$.

Buyers 2 and 3 each have a willingness to pay given by $W_2 = W_3 = 100 - Q_i/2$.

The market supply is given by $Q^S = 5 \cdot P$

Determine:

The quantity purchased by buyer 1.

Answer: