

# Market Supply

Market supply is the sum of individual supplies:

$$Q_M^S = \sum_i^N Q_i^S(P)$$

⚠ Sum of **Qs**, not WTAs ⚠

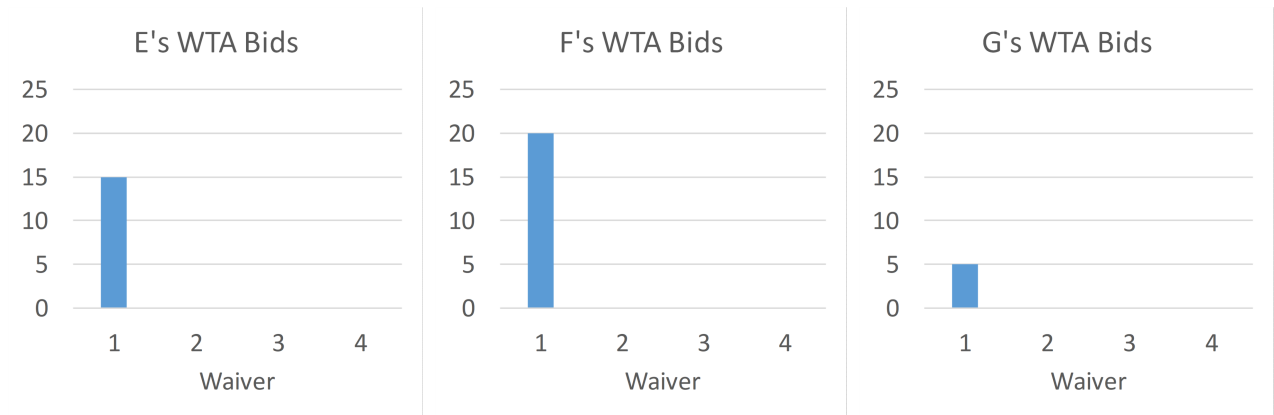
Extracting 2 more WTA bids:

$$WTA_E = \$15$$

$$WTA_F = \$20$$

$$WTA_G = \$5$$

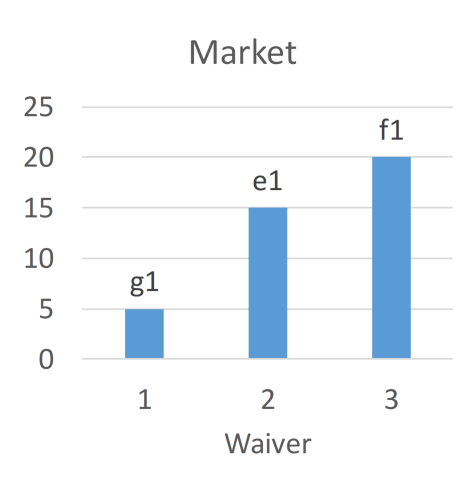
Individual supplies:



Market supply:

- Here, start with low prices and sweep up
- Count (sum) individual waivers supplied at each price

In effect, lists bids from **lowest** to **highest**:



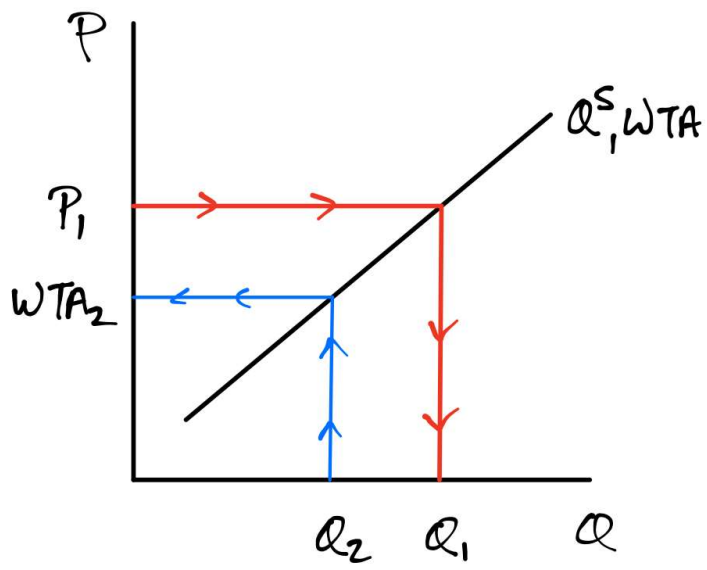
Height of curve:

$$WTA_M(Q_i) = \text{WTA by the seller of unit } Q_i$$

Width of curve:

$$Q_M^S(P) = \text{total quantity supplied at a given } P$$

Abstract, stylized WTA and supply curve:



Red:

From  $P_1$  can infer  $Q_1$

Blue:

From  $Q_2$  can infer  $WTA_2$