

# ECON 0100 | Fall 2024

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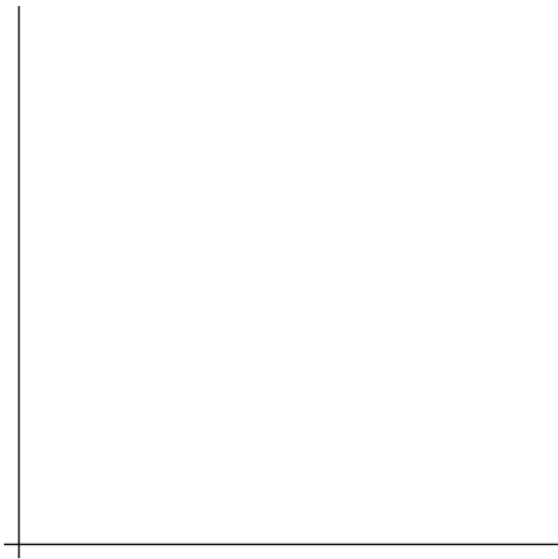
## *Vignette B3*

Imagine a pandemic forces the world into a global lockdown and subsequent slow reopening. Imagine the market for food (as a bundle) is represented by the following supply and demand curves before the pandemic (*units in dollars and daily servings*).

$$P = 7 + 20Q_s \quad (1)$$

$$P = 107 - 30Q_b \quad (2)$$

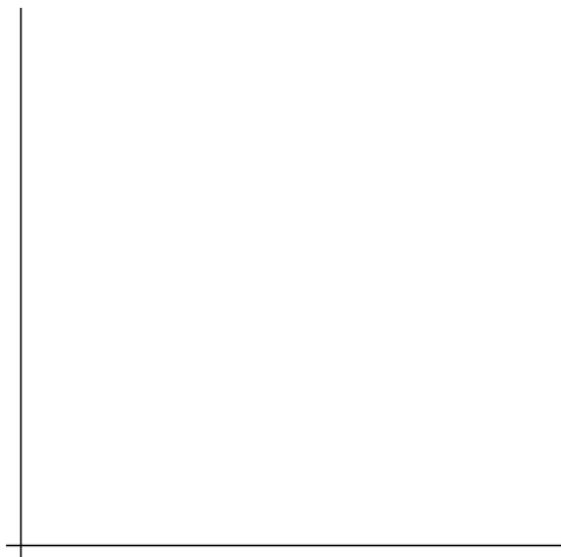
**Q1.** Use a graph (*below*) and a sentence to discuss the food market prior to the pandemic. Be sure to calculate equilibrium price, quantity, consumer surplus, and producer surplus.



**Q2.** The pandemic substantially disrupted the supply chain, leading to difficulty bringing food to market with a new supply curve below. Use the graph (*above*) to discuss the impact of supply chain disruptions on the market. Be sure to include how welfare measures have changed.

$$P = 32 + 20Q_s \quad (3)$$

**Q3. Concerned with the affordability of food, the government considers a ban on price hikes from pre-pandemic levels. Use a graph to discuss the impact on good availability of this policy. Show welfare measures and calculate the new consumer surplus**



**Q4. If in addition to the supply chain disruptions, consumers were willing to spend more on food as government programs like unemployment benefits and employee protections supported incomes. Use a graph to discuss what happened to the market price and quantity after both shocks and in the absense of price controls.**

