Five Minute Exercise

Market Equilibrium with Multiple Sellers

Given:

The market demand for a good is given by $Qd = 800 – 4*P$
There are three price-taking sellers.
Sellers 1 and 2 each have a willingness to accept given by: $W2A_i = Qs_i$
Seller 3's willingness to accept is $W2A_3 = (Qs_3)/4$

Determine:

The quantity sold by seller 3.

Answer: