Market Equilibrium Notes

Role of competition:

- Competition among sellers results in lower costs and prices, higher product quality, and better customer service.
- Competition among buyers increases prices and allocates goods and services to those people who are willing and able to pay the most for them.
- As a result, competition among buyers and sellers creates an equilibrium price naturally, meaning without government intervention or outside forces manipulating it.

Equilibrium –

- The condition of being at rest or balanced.
- Equilibrium exists when the quantity that consumers are willing and able to buy equals the quantity that producers are willing and able to sell.
- Graphically, equilibrium is the point at which the demand curve and the supply curve intersect.

Supply Schedule

Price	Quantity Supplied
4	15
5	20
6	25
7	30
8	35
9	40

Demand Schedule

Price	Quantity Supplied
4	35
5	30
6	25
7	20
8	15
9	10