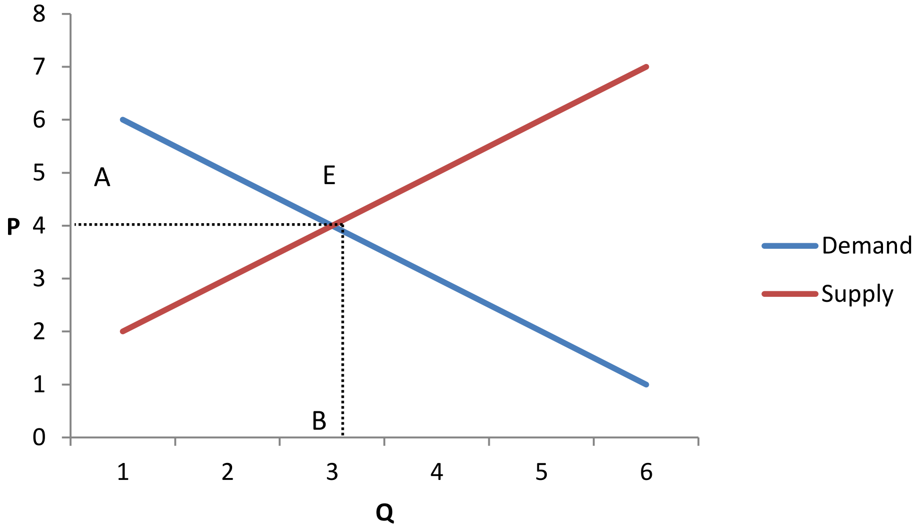
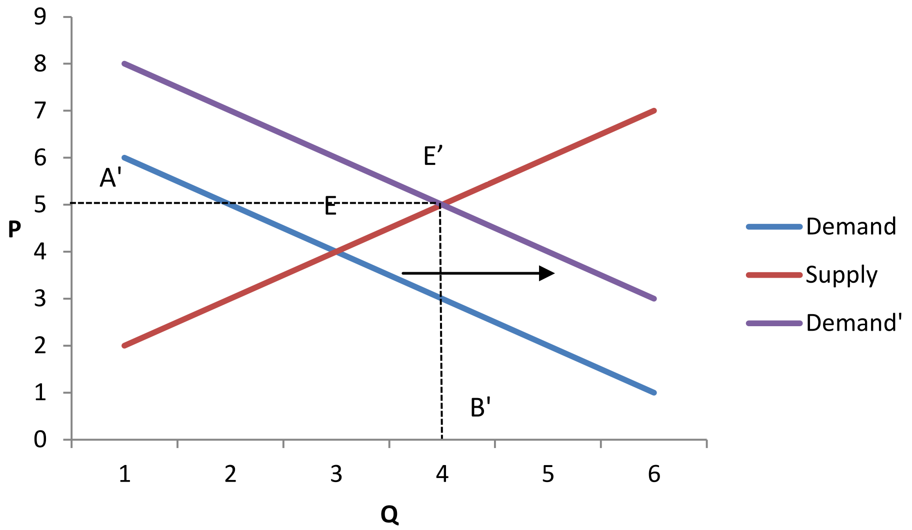


Graph 1

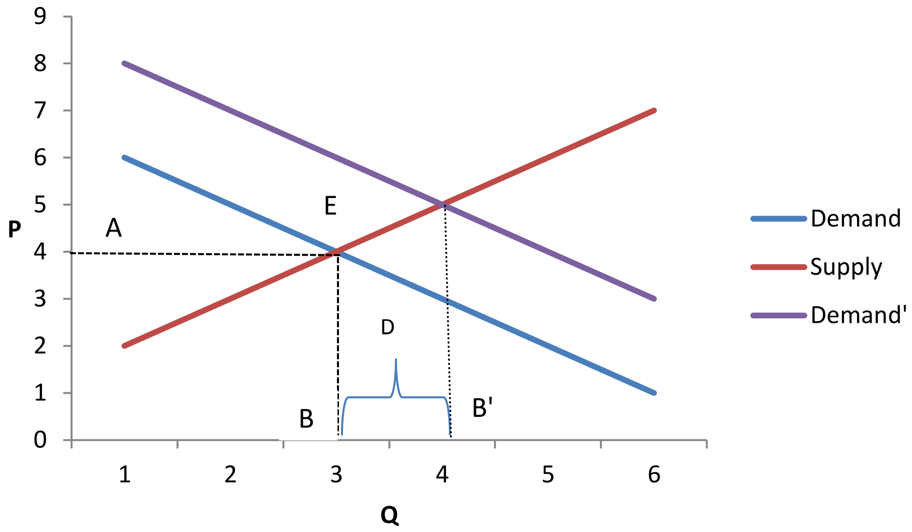
The equilibrium is in the point E. Then we can see that the equilibrium price is in the point A and the equilibrium quantity is in the point B. In our graph the equilibrium price is $4 and the equilibrium quantity of good is 3,5.

When demand increases to D’ on the graph it moves to the right. And the new equilibrium moves to the point E’. The new equilibrium price moves to the point A’ and quantity moves to the point B’. In this new equilibrium our new price is $5 and new quantity of goods is 4.



Graph 2

If the government does not allow the price to change when demand increases equilibrium price and quantity stay the same, but it will be a deficit (D) in the market for the (B’ - B) quantity of goods. In our graph 3 it is 1 good.



Graph 3