Answer on question #59517 -Economics - Macroeconomics

qdus=5000-2p qsus=-3000+p

What was the market equilibrium price per metric ton of sunflower oil?

How many billions of metric tons were sold at this price (what was the market equilibrium quanity)

At this market price what were revenues for US sunflower oil produccers?

Solution

The equilibrium price is the market price where the quantity of good supplied is equal to quantity of goods demanded in a market.

$$Qdus = Qsus$$

$$5000 - 2p = -3000 + p$$

$$P = 2666.67$$

If equilibrium price 2666.67, we can plug the equilibrium price into ether demand or supply function and receive market equilibrium quantity

$$Qsus = -3000 + 2666.67 = -333.33$$

We have situation when supply exceeds demand at any positive price.

So, US sunflower oil producers didn't revenues on the market and sunflower oil will not be produced at all.

Answer

Equilibrium price is equal $2666.67.
Equilibrium quantity is negative -333.33 because producer hadn't any revenues at any positive price, sunflower oil will not be produced at all.