

**16. Correct. The answer is true.** At a  $P_c = 30$ ,  $Q_d = 87.5 - 2(30) = 25.5$ ,  $Q_s = -14.6 + 2(30) = 45.4$ ,  $Q_s - Q_d = 45.4 - 25.5 = 19.9$ . If the government bought the excess quantity supplied of 19.9 the market would be in equilibrium at \$30.