Rock stars normally hand out lessons about sex, drugs and trashing hotel rooms. But a battle between a dance-rock outfit, LCD Soundsystem and ticketing agents over the band’s “last” show offers a strange insight into the laws of supply and demand. On top of that, the kerfuffle reveals the distortions underlying the music business. LCD, fronted by James Murphy, recently decided to call it quits. After three moderately successful records and extensive touring, he said he wanted to go out on a high note and avoid looking like a geriatric rocker. So the band decided to stage its last show ever at Madison Square Garden on April 2. Mr. Murphy says promoters were skeptical LCD could sell even a limited run of 13,000 tickets. The band took its chances, and within minutes last week all the tickets on offer were snapped up online. The same $50 tickets shortly thereafter appeared for thousands of dollars each on reseller Web sites.

In theory, the quick sellout proves that demand for the tickets far outpaced supply. Higher resale prices corroborate this. On this level, the band simply misjudged interest and the price people — at least as represented by the resellers — would be willing to pay. But in fact, few fans appear to have gotten their hands on tickets. According to Mr. Murphy, the majority went to the electronic ticket-purchasing systems of the resellers, including Ebay’s StubHub and TicketsNow, which is now offering floor seats for as much as $2,588 each. Coincidentally, TicketsNow is a unit of Live Nation’s Ticketmaster, the company that also handled the sale for LCD.

Setting aside the oddity that one arm of a near monopoly can scalp tickets that another arm is responsible for selling at face value, the scalpers made a bet on scarcity. But the apoplectic Mr. Murphy is fighting back. He’s increasing supply. The band has said it will play four concerts at a smaller venue in the days leading up to the “last” Garden show. When tickets for the extra four dates hit the market on Friday (presumably bypassing some of the flaws of the Garden fiasco), fans may have their chance to dance their checkbooks clean, to paraphrase LCD’s lyrics. And even if they don’t, students of economics will gain a livelier-than-usual case study.