

Demand & Supply

Demand: Buyer's Side

Quantity Demanded: the # of units consumers want to buy

Quantity Demanded Depends upon:

- 1.
- 2.
- 3.
- 4.
- 5.

Demand Schedule & Curve

Demand Curve Slope – positive or negative?

Supply: Seller's Side

Quantity Supplied: the number of units sellers want to sell

Quantity Supplied Depends upon:

- 1.
- 2.
- 3.

Supply Curve Slope – positive or negative?

When would a shortage occur?

When would a surplus occur?

What causes the Demand & Supply curves to shift?

Shifts in Demand:

Δ in price – movement along the curve

Δ in any other variable – shifts entire curve

- if consumers want to buy more at any given price, curve shifts right
- if consumers want to buy less at any given price, curve shifts left

Examples:

1. increase/decrease in
2. increase/decrease in
3. increase/decrease in
4. prices & availability of

Shifts in Supply:

Δ in price – movement along the curve

Δ in any other variable – shifts entire curve

- if sellers produce more at any given price, curve shifts right
- if sellers produce less at any given price, curve shifts left

Examples:

1. increase/decrease in
2. increase/decrease in
3. increase/decrease in
4. increase/decrease of