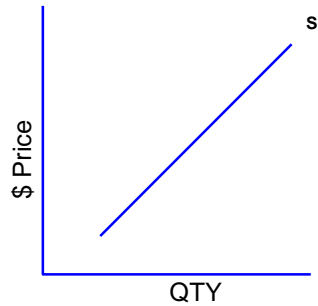


Overview: Supply and Demand

Supply (firms)



Price and quantity supplied are positively related
(sympathetic)

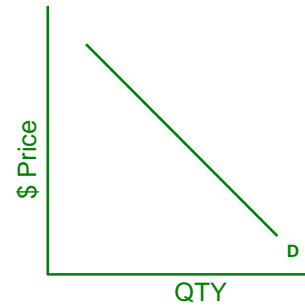
Movements along supply curve occur when...

When price rises and quantity supplied rises
or
when price falls and quantity supplied falls

Shifts in demand are due to...

- Technology
- Number of Firms in the market
- Price of goods used in production (cost of inputs).
- Expectations for future prices
- Government taxes, subsidies, regulations.

Demand (consumers)



Price and quantity demanded are negatively related
(inverse)

Movements along demand curve occur when...

When price rises and quantity demanded falls
or
when price falls and quantity demanded rises.

Shifts in demand are due to...

- Preferences
- Number of Consumers in Market
- Information
- Income (normal v. inferior goods)
- Expectations for future prices
- Price of related goods
 - substitutes
 - complementary

NOTES: