Market

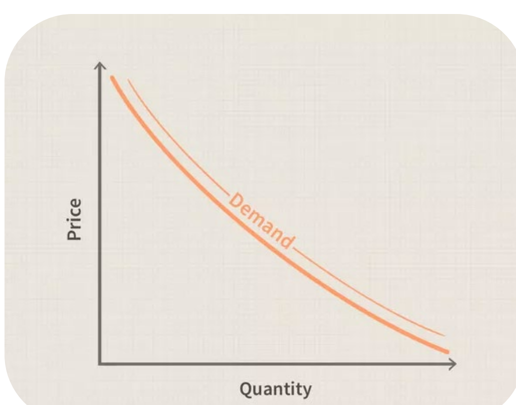
Definition: A market is a place where buyers and sellers come together to exchange goods and services. This can take place in a physical location, such as a farmer's market or a stock exchange, or online, through e-commerce platforms. The price of goods and services in a market is determined by supply and demand.

Some examples of markets include:

- Stock market
- Real estate market
- Commodities market (e.g. oil, gold, etc.)
- Foreign exchange market
- Bond market
- Cryptocurrency market
- Consumer goods market
- Labor market
- Service market (e.g. healthcare, education, etc.

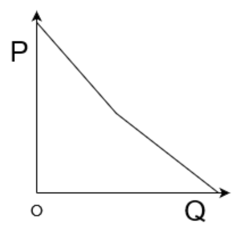
Demand: Demand refers to the quantity of a good or service that consumers are willing and able to purchase at a given price.

Demand Curve: It is represented by a demand curve, which shows the relationship between the price of a good or service and the quantity that consumers are willing to purchase.

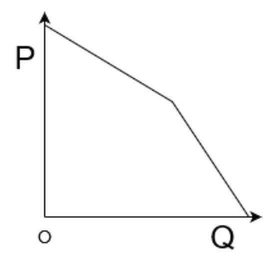


Market Demand: It is the sum of the individual demands of all consumers in the market. Market demand refers to the total quantity of a good or service that all consumers in a market are willing and able to purchase at a given price

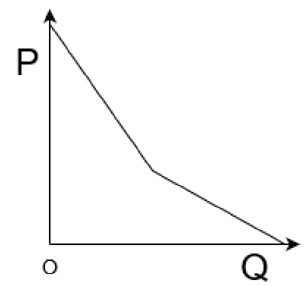
Market demand is also represented by a demand curve, which shows the relationship between the price of a good or service and the total quantity demanded by all consumers in the market.



Graph 1

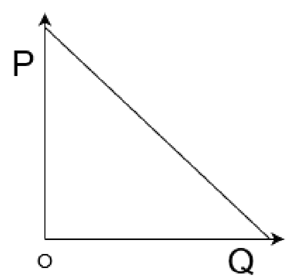


Graph 2



Graph 3

- sum of all the individuals will be



Market Demand curve

Margin Demand: Marginal demand is the change in the quantity demanded of a good or service as a result of a change in its price.

Law Of Demand: The law of demand is based on the principle of utility(satisfaction that a consumer derives from consuming a good or service), which states that as the price of a good or service increases, the utility or satisfaction that a consumer derives from consuming it decreases. As a result, consumers will demand less of the good or service as the price increases.(if the thing isn't available it can't follow the law of Demand).

In addition whenever the prices are low the quantity of purchased becomes is vice versa.

Written as: $P \frac{1}{\propto} Q$

As you can see the table if the price is decreasing↓ the quantity is increasing↑.

Price	Quantity
5	9
3	10
2	12
1	15

In this table if the price is Increasing↑ the quantity is decreasing↑.

Price	Quantity
5	9
7	6
9	4
10	1

GOODS

Goods are tangible items that are produced or acquired for the purpose of being sold or traded. They are physical items that can be touched, seen, and used.

- There are several types of goods including:

Normal Goods:

Normal goods are a type of consumer goods that experience a direct relationship between the price of the good and the quantity demanded. As the price of a normal good increases, the quantity demanded decreases and as the price decreases, the quantity demanded increases.

It's important to note that the concept of normal goods is based on the assumption that consumer preferences and income levels remain constant. If consumer preferences or income levels change, the relationship between price and quantity demanded may also change.

- Substitutes: Substitutes are goods or products that can be used in place of one another. The more substitutes that are available for a good, the less demand there will be for that good, as consumers have more options to choose from.
  Some examples of substitutes are:
  - Soft drinks and juice
  - Public transportation and personal vehicles
  - Beef and chicken
  - Generic and brand-name products
  - Streaming services and cable TV
  - Natural gas and electricity
  - Paperbacks and e-books
  - Online classes and traditional classes

- Complements: Complements are goods or products that are often used together. These goods are typically consumed or used in conjunction with one another, and a change in the price or availability of one good can affect the demand for the other good.

  For example, gasoline and cars are complements. As the price of gasoline increases, the quantity of cars demanded decreases, and vice versa. Similarly, the quantity of cars demanded may decrease if the price of cars increases, which in turn decrease the demand for gasoline.

  Some examples of complements are:
  -A hammer and nails
  -A computer and a printer –
  A camera and memory card
  -Ice cream and cones
  -Peanut butter and Jelly
  -Computer game and console.

Superior Goods

Superior goods are a type of consumer goods that experience an inverse relationship between the price of the good and the quantity demanded. As the price of a superior good increases, the quantity demanded increases, and as the price decreases, the quantity demanded decreases. These are goods that are considered status symbols and are often associated with wealth and prestige.

Examples of superior goods:

- Luxury Items
- Designer Clothes
- High-End Cars
- Luxury Watches
- Expensive Jewelry

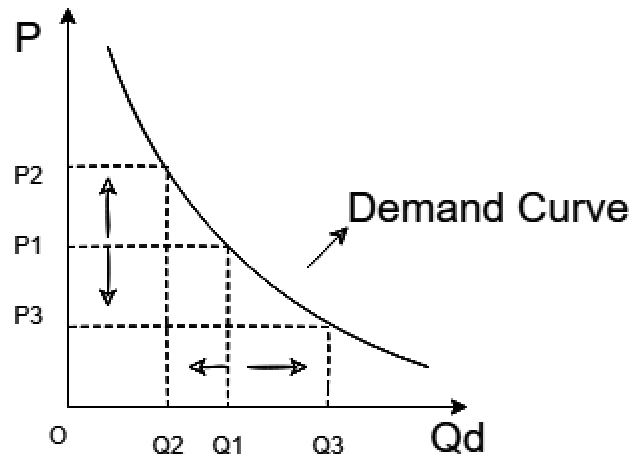
Inferior Goods

Inferior goods are goods for which the demand decreases as income increases. These goods are typically cheaper, lower-quality products that are less desirable to consumers as their financial situation improves.

Examples of inferior goods include:

- Used goods, such as secondhand clothing or used cars
- Lower-end products in a given category, such as budget cars or lower-end laptops
- Bus or train tickets
- Frozen dinners
- Prepaid phone plans
- Low-end housing rentals
- Low-quality or discount things
- cheaper restaurant options

So as of now you know all of this let’s take a Look at What are changes of price on demand:



Effect of High Price {P1-P2}

Effect of Low Price {P1-P3}

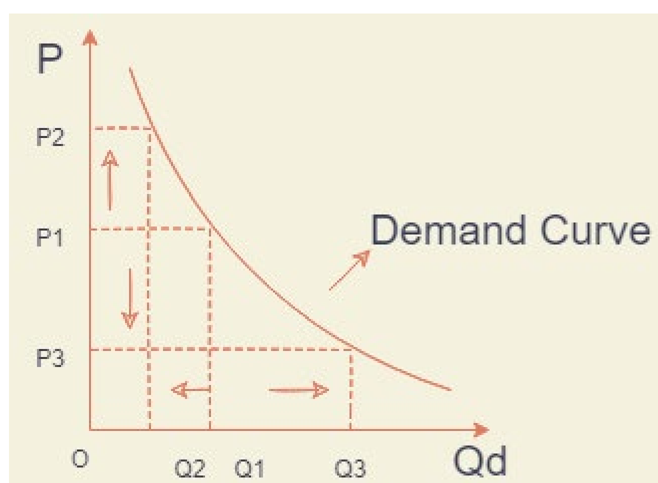
Determinants Of Demand

The determinants of demand are the factors that influence the quantity of a good or service that consumers are willing and able to purchase. These include:

1.Price: The most important determinant of demand, as a higher price will decrease demand and a lower price will increase demand.

Higher Price Low Demand {P1-P2,Q1-Q2}

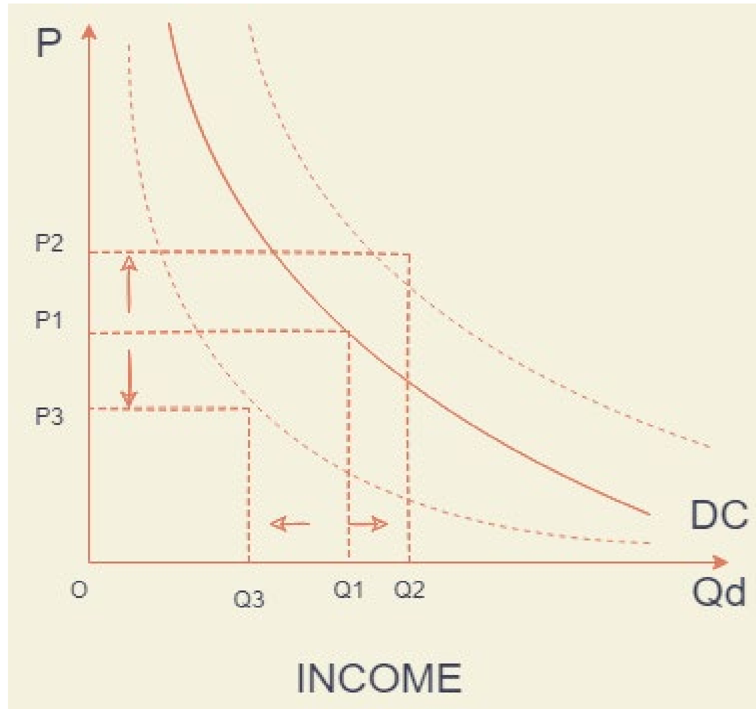
Lower Price High Demand {P1-P3,Q1-Q3}



2.Income: As a consumer's income increases, so does their ability to purchase goods and services, leading to an increase in demand. Conversely, a decrease in income will lead to a decrease in demand

Higher Price High Demand {P1-P2,Q1-Q2}

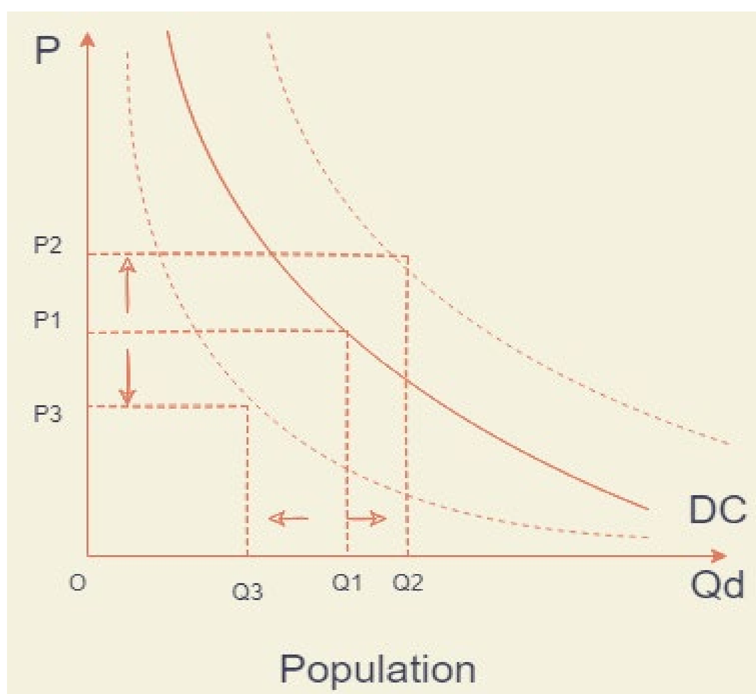
Lower Price Low Demand {P1-P3,Q1-Q3}



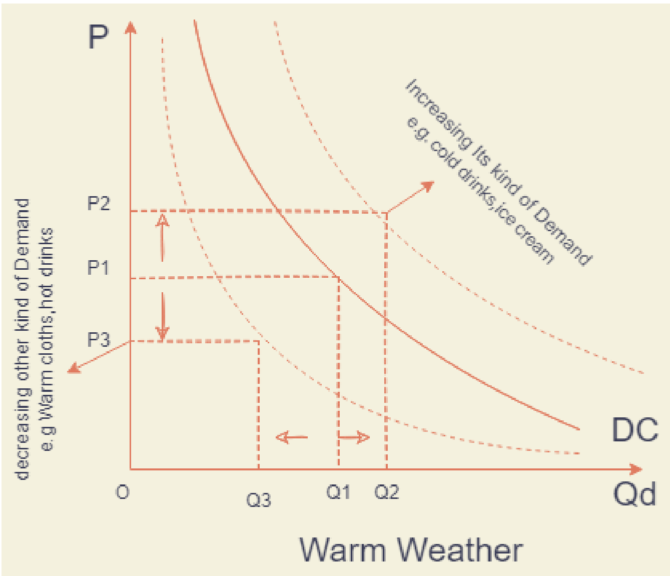
3.Population: The number of buyers (Population) in a market will affect the overall demand. The larger the number of buyers, the greater the demand. The lower the number of buyers, the lower the demand.

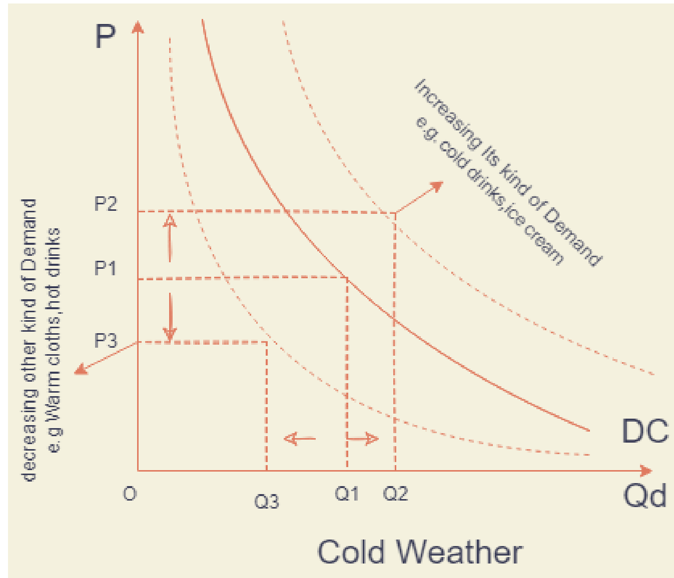
Higher Buyers High Demand {P1-P2,Q1-Q2}

Lower Buyers Low Demand {P1-P3,Q1-Q3}



4.Weathers: Warm weather may increase the demand for cold drinks, ice cream, and outdoor recreational activities, while cold weather may increase the demand for warm clothing, heating systems, and hot drinks.





5. The price of related goods: Such as substitutes or complements, can affect demand. For example, if the price of a substitute good decreases, the demand for the original good will decrease. If the price of a complement good increases, the demand for the original good will decrease.