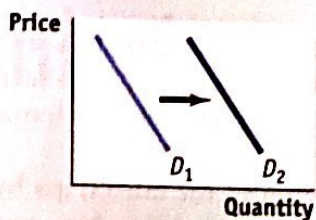


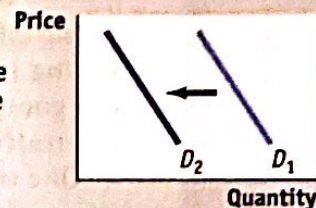
TABLE 5-1 Factors That Shift Demand**When this happens ...****... demand increases****But when this happens ...****... demand decreases**

When the price of a substitute rises ...



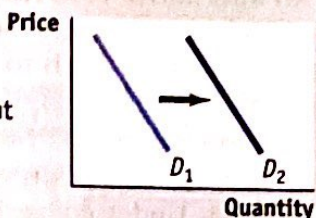
... demand for the original good increases.

When the price of a substitute falls ...



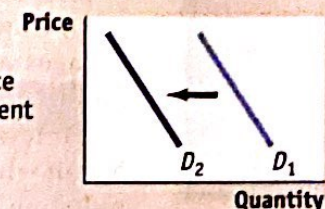
... demand for the original good decreases.

When the price of a complement falls ...



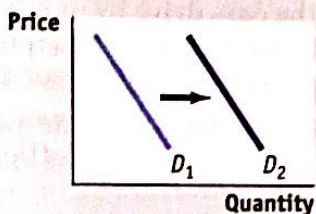
... demand for the original good increases.

When the price of a complement rises ...



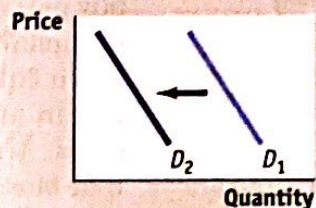
... demand for the original good decreases.

When income rises ...



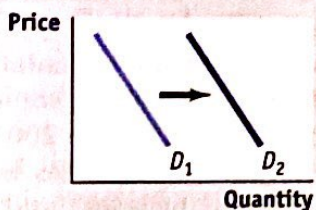
... demand for a normal good increases.

When income falls ...



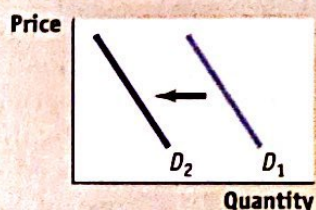
... demand for a normal good decreases.

When income falls ...



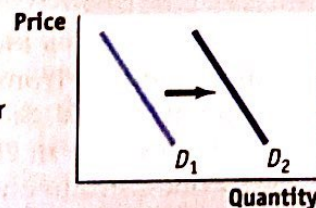
... demand for an inferior good increases.

When income rises ...



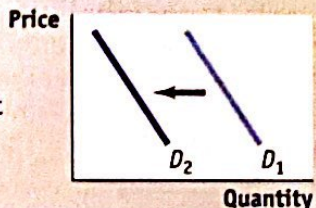
... demand for an inferior good decreases.

When tastes change in favor of a good ...



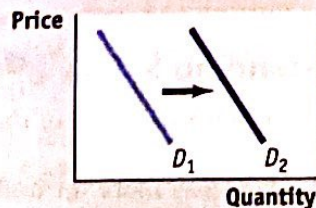
... demand for the good increases.

When tastes change against a good ...



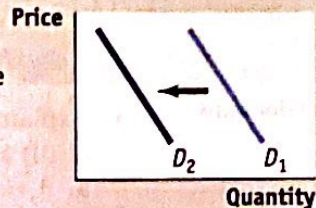
... demand for the good decreases.

When the price is expected to rise in the future ...



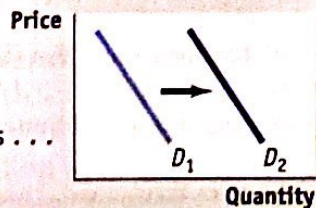
... demand for the good increases today.

When the price is expected to fall in the future ...



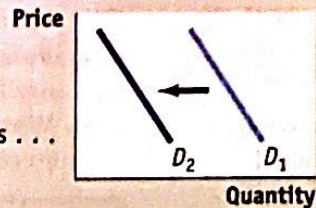
... demand for the good decreases today.

When the number of consumers rises ...



... market demand for the good increases.

When the number of consumers falls ...



... market demand for the good decreases.

TABLE 6-1 Factors That Shift Supply

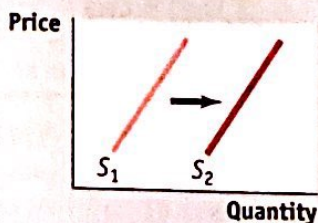
When this happens ...

... supply increases

But when this happens ...

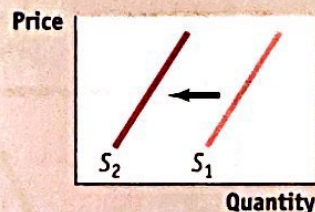
... supply decreases

When the price of an input falls ...



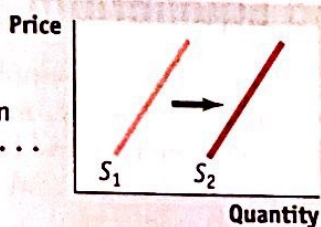
... supply of the good increases.

When the price of an input rises ...



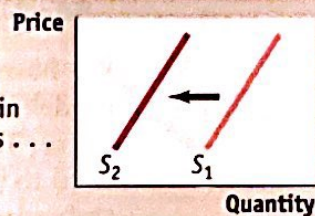
... supply of the good decreases.

When the price of a substitute in production falls ...



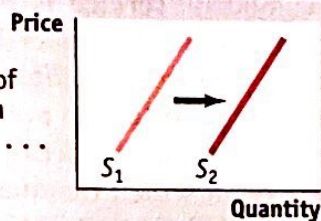
... supply of the original good increases.

When the price of a substitute in production rises ...



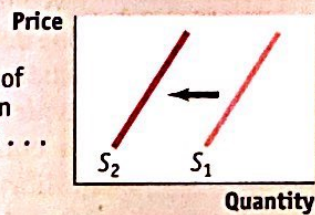
... supply of the original good decreases.

When the price of a complement in production rises ...



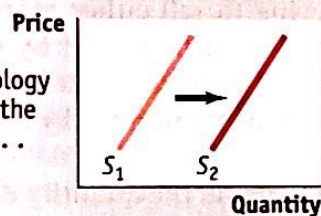
... supply of the original good increases.

When the price of a complement in production falls ...



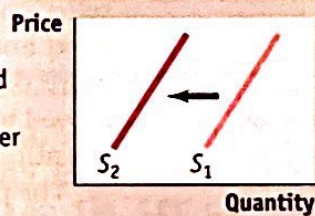
... supply of the original good decreases.

When the technology used to produce the good improves ...



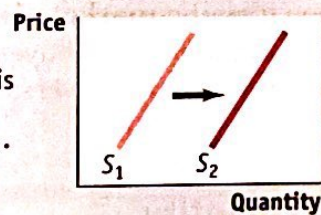
... supply of the good increases.

When the best technology used to produce the good is no longer available ...



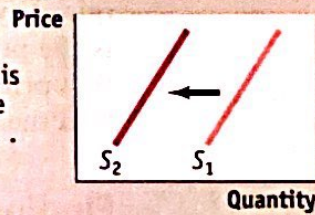
... supply of the good decreases.

When the price is expected to fall in the future ...



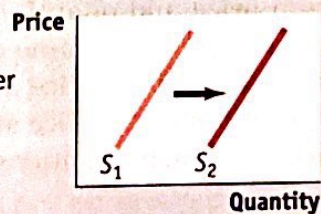
... supply of the good increases today.

When the price is expected to rise in the future ...



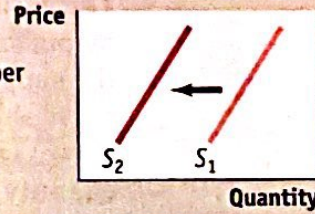
... supply of the good decreases today.

When the number of producers rises ...



... market supply of the good increases.

When the number of producers falls ...



... market supply of the good decreases.