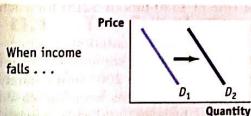
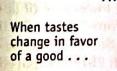
TABLE 5-1 Factors That Shift Demand When this happens demand increases ... demand decreases But when this happens ... Price Price When the price ... demand for . demand for When the price of a substitute the original good the original good of a substitute rises . . . increases. falls . . . decreases. Quantity Quantity Price When the price ... demand for ... demand for When the price of a complement the original good the original good of a complement falls . . . increases. decreases. rises . . . Quantity Quantity Price Price When income ... demand for ... demand for When income rises . . . a normal good a normal good falls . . . increases. decreases. Quantity Quantity

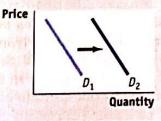


... demand for an inferior good increases.

When income rises . . . D_2 D_1 Quantity

... demand for an inferior good decreases.



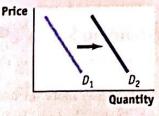


... demand for the good increases.

When tastes change against a good D₂ D₁

... demand for the good decreases.

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



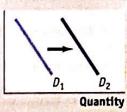
... demand for the good increases today.

When the price is expected to fall in the future . . . D_2 D_1 Quantity

... demand for the good decreases today.

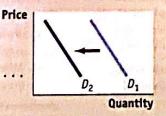
Price

When the number of consumers rises . . .



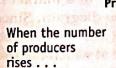
... market demand for the good increases.

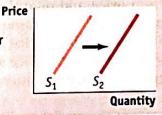
When the number of consumers falls . . .



... market demand for the good decreases.

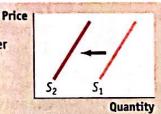
TABLE 6-1 **Factors That Shift Supply** When this happens... ... supply increases But when this happens supply decreases Price Price When the price ... supply When the price . . . supply of an input of the good of the good of an input falls . . . increases. decreases. rises . . . Quantity Quantity Price Price When the price ... supply ... supply When the price of a substitute in of the original of the original of a substitute in production falls . . . good decreases. good increases. production rises . . . Quantity Quantity Price Price When the price of ... supply ... supply When the price of of the original a complement in of the original a complement in production rises . . . good decreases. good increases. production falls . . . Quantity Quantity Price Price When the best When the technology ... supply ... supply technology used of the good used to produce the of the good to produce the increases. good is no longer decreases. good improves . . . available . . . Quantity Quantity Price Price ... supply When the price is ... supply When the price is of the good of the good expected to rise expected to fall increases today. decreases today. in the future . . . in the future . . . Quantity Quantity





... market supply of the good increases.

When the number of producers falls . . .



... market supply of the good decreases.