

Demand

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Overview

- ➊ Introduction to Markets and Prices
- ➋ Demand Curve
- ➌ Law of Demand - Marginal Benefit, Purchasing Power, and Substitutes
- ➍ Market Demand
- ➎ Changes in Demand
- ➏ Determinants of Demand
 - Income
 - Tastes and Preferences, Number of Buyers, and Expectations
 - Substitutes and Complements



Note About Blanks Slides

If you see a blank slide, it is intentional. All graphs will be provided within my videos.



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Introduction to Markets and Prices

Market

Any place where, or mechanism by which, buyers and sellers interact to trade goods, services, or resources.

Prices are determined by the interaction of buyers and sellers.

- Sellers do not set prices
- Buyers do not set prices

Take oranges for example, if the price is too high, people will not buy them. If they are too low, sellers will not sell them. This is where terms of trade re-enters the conversation



Price Analogy

A famous analogy is that prices are like scissors.

- You might be tempted to ask the question, who sets the price? The buyer or the seller?
- This would be like asking, which blade of the scissors cuts the paper? The top or bottom blade?
- It is in-fact both that cut the paper and the interaction between both buyers and sellers that determine the price



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Law of Demand

Law of Demand

A principle in economics which states that as the price of a good, service, or resource rises, the quantity demanded will decrease, and vice versa, all else held constant.



Demand Schedule

Just like the production possibilities schedule, this is a tabular view of the quantity demanded for a given price

Demand Schedule for Movie Tickets

Price	Quantity Demanded
16	1
13	3
10	5
7	7
4	9



Demand for Movies Graphically



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