

SUPPLY & DEMAND

Economics

DEMAND

The desire, ability,
and willingness to
buy a product or service

Do You Demand These?

Desire? Ability? Willingness?



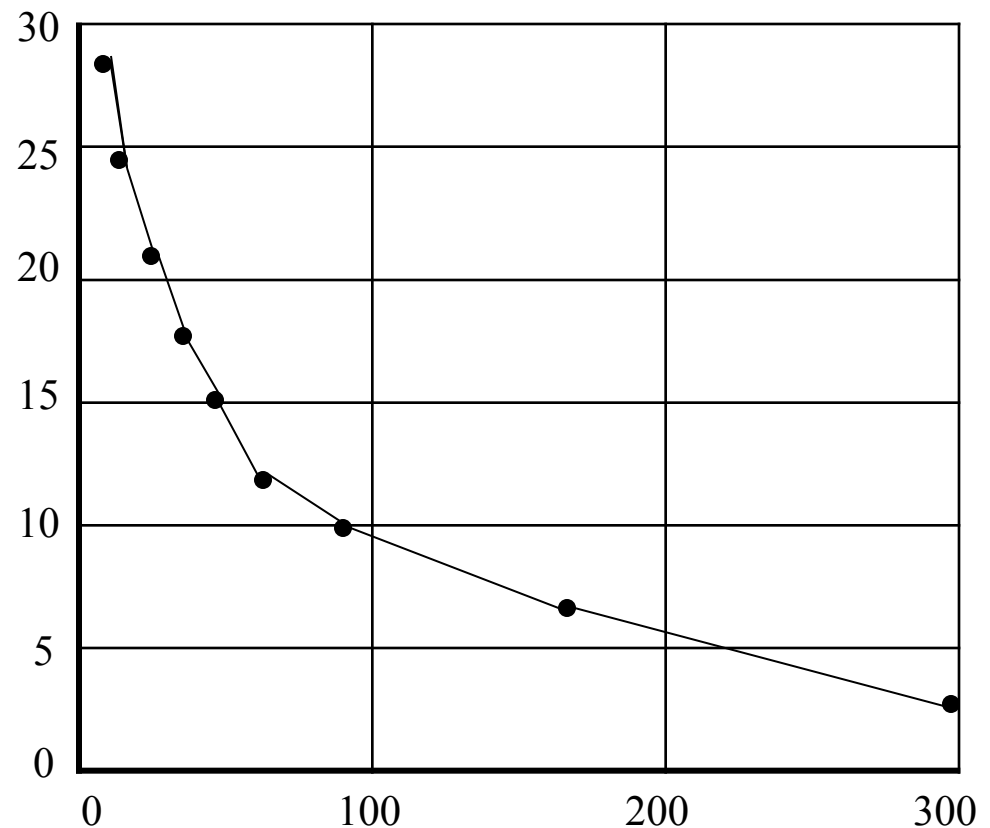
Demand Schedule

Price	Quantity
\$27	10
\$24	13
\$21	18
\$18	25
\$15	37
\$12	58
\$9	94
\$6	162
\$3	300

A listing that shows the quantity demanded at all prices.

Demand Schedule Example

Price	Quantity
\$27	10
\$24	13
\$21	18
\$18	25
\$15	37
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\$3	300



Law of Demand

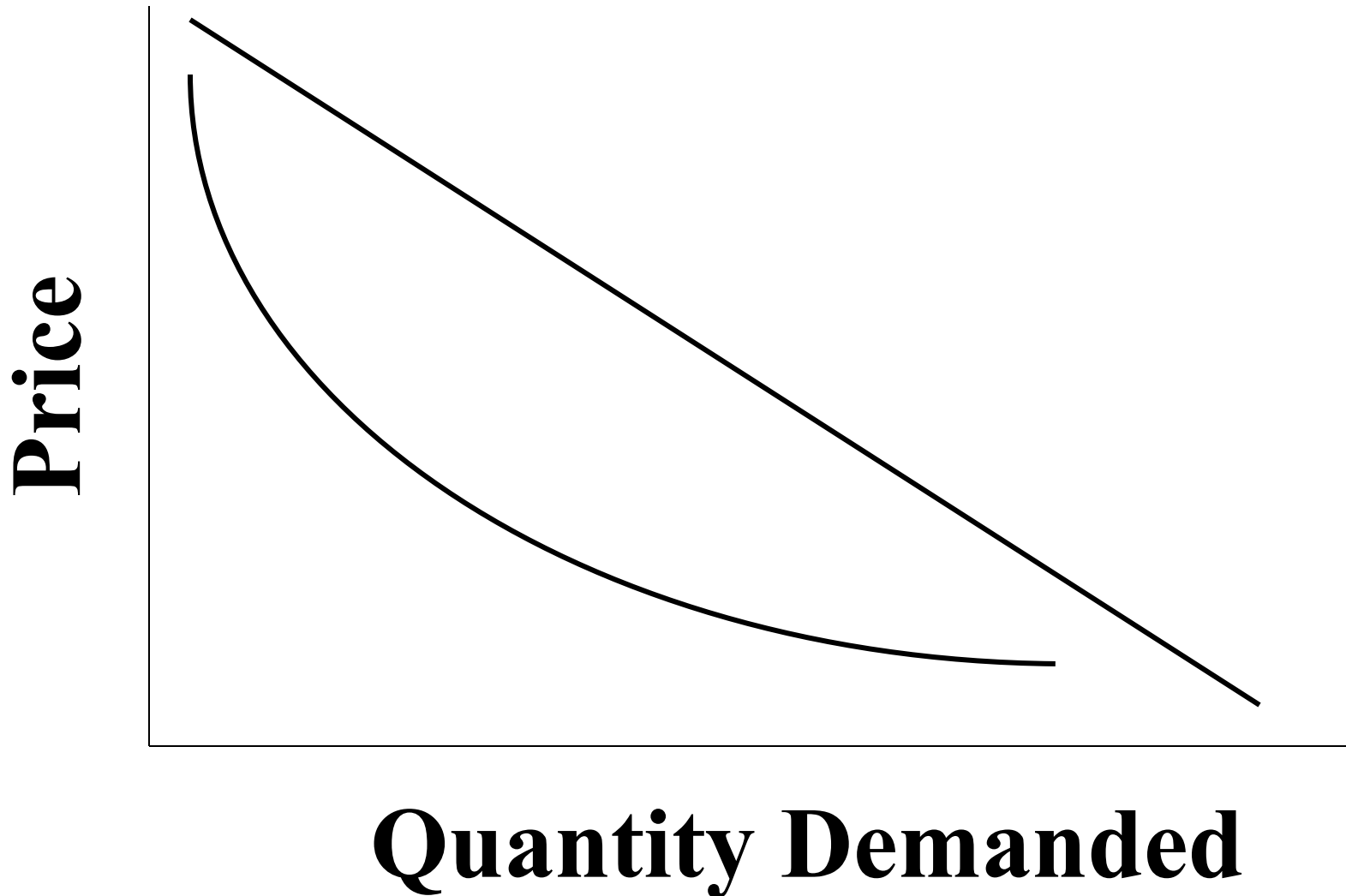
P= Price QD= Quantity Demanded

P ☐ QD ☐

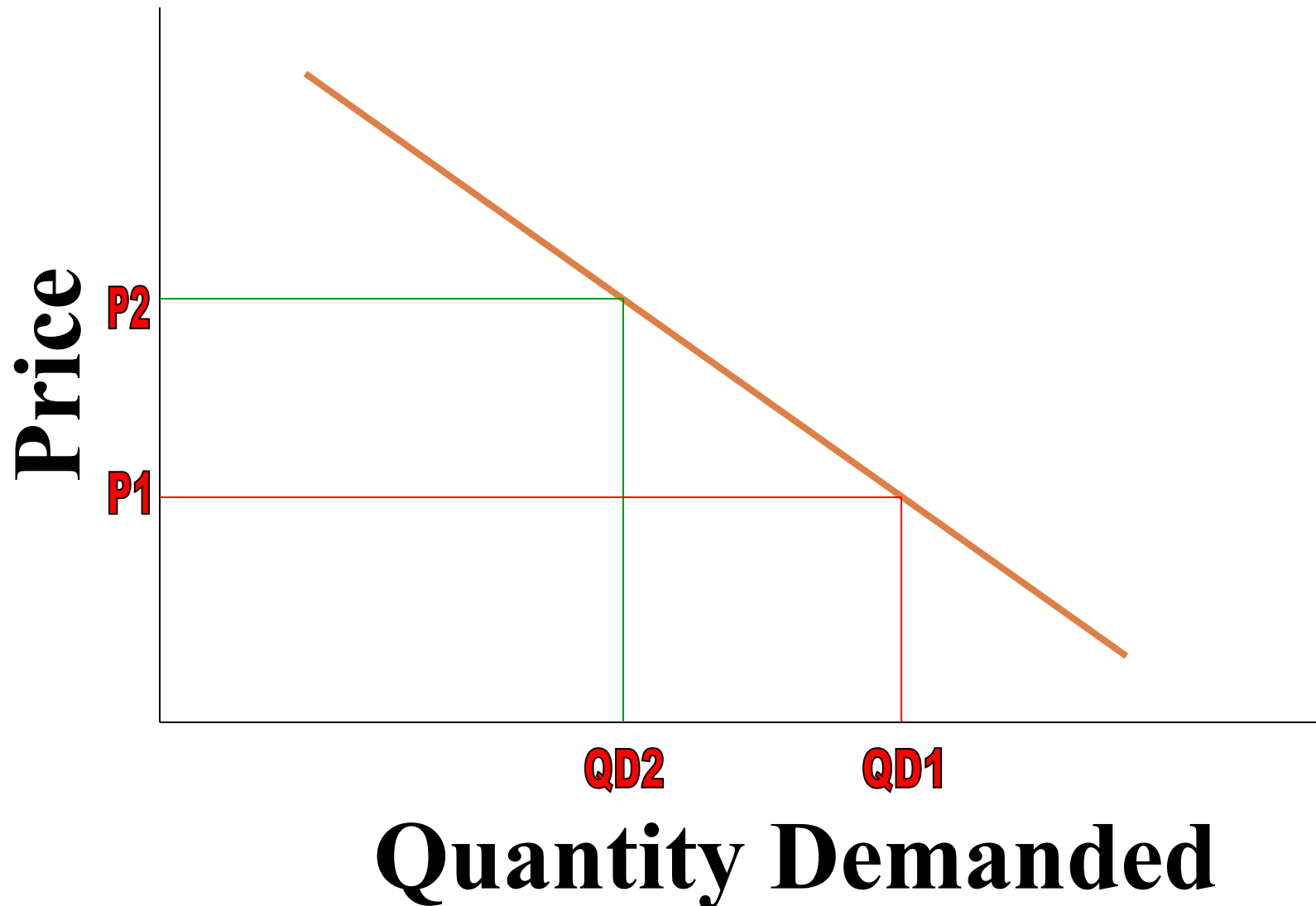
P ☐ QD ☐

Item on sale, price mark up,
etc.

The Law of Demand Graph

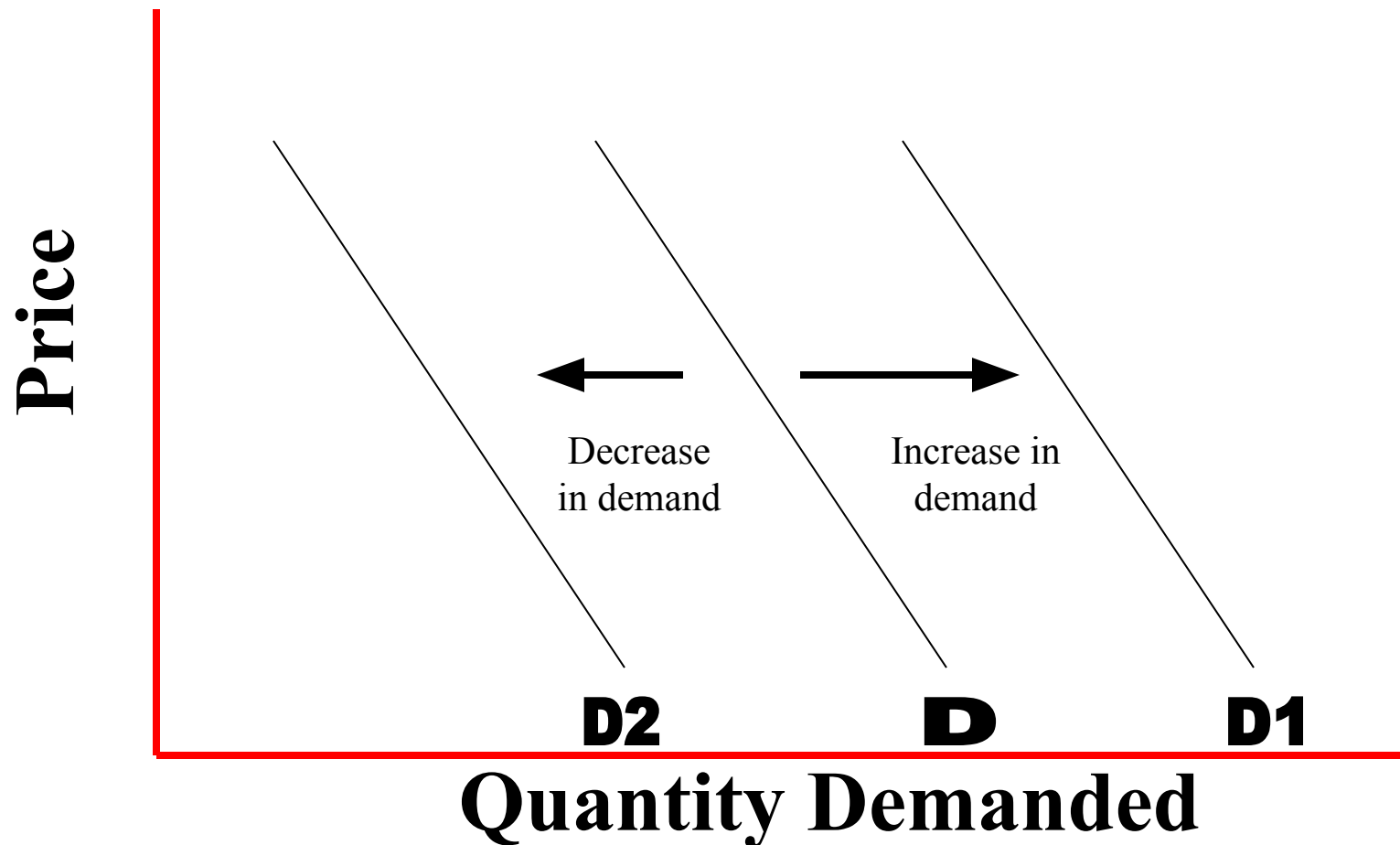


Change in Quantity Demanded



Q: What causes a shift in Demand?

A: Non-price determinants



Non-Price Determinants of Demand



- 1) Buyer's Income
- 2) Price of Substitutes
- 3) Market Size
- 4) Consumer Tastes
- 5) Consumer Expectations
- 6) Complement Goods

1) Buyer's Income

Income \square Demand \square

Income \square Demand \square

Examples:

- \square Minimum wage increases
- \square Economic Recession
- \square The Great Depression

2) Price of Substitute Goods

Goods or services that can be used instead of other goods or services, causing a change in demand.



corbis



RUMUS
PELAJARAN
COM

3) Market Size

Market Size ☐ Demand ☐

Market Size ☐ Demand ☐

Examples:

- ☐ Immigration
- ☐ Detroit after collapse of auto industry

4) Consumer Tastes

The popularity of a good or service has a strong effect on the demand for it, and in the marketplace, popularity can change quickly.



5) Consumer Expectations

What you expect prices to do in the future can influence your buying habits today.

Examples:

- SEB
- Cooking Oil
- Gasoline
- Home
- Rice

6) Complement Goods

When the use of one product increases the use of another product.



Supply

*The **desire**, **ability**, and **willingness** to offer products for sale*

- * Anyone who offers an economic product for sale is a supplier
- * When you work at your job, you are offering your services for sale. Your economic product is labor. You would probably supply more for a higher wage.

Law of Supply

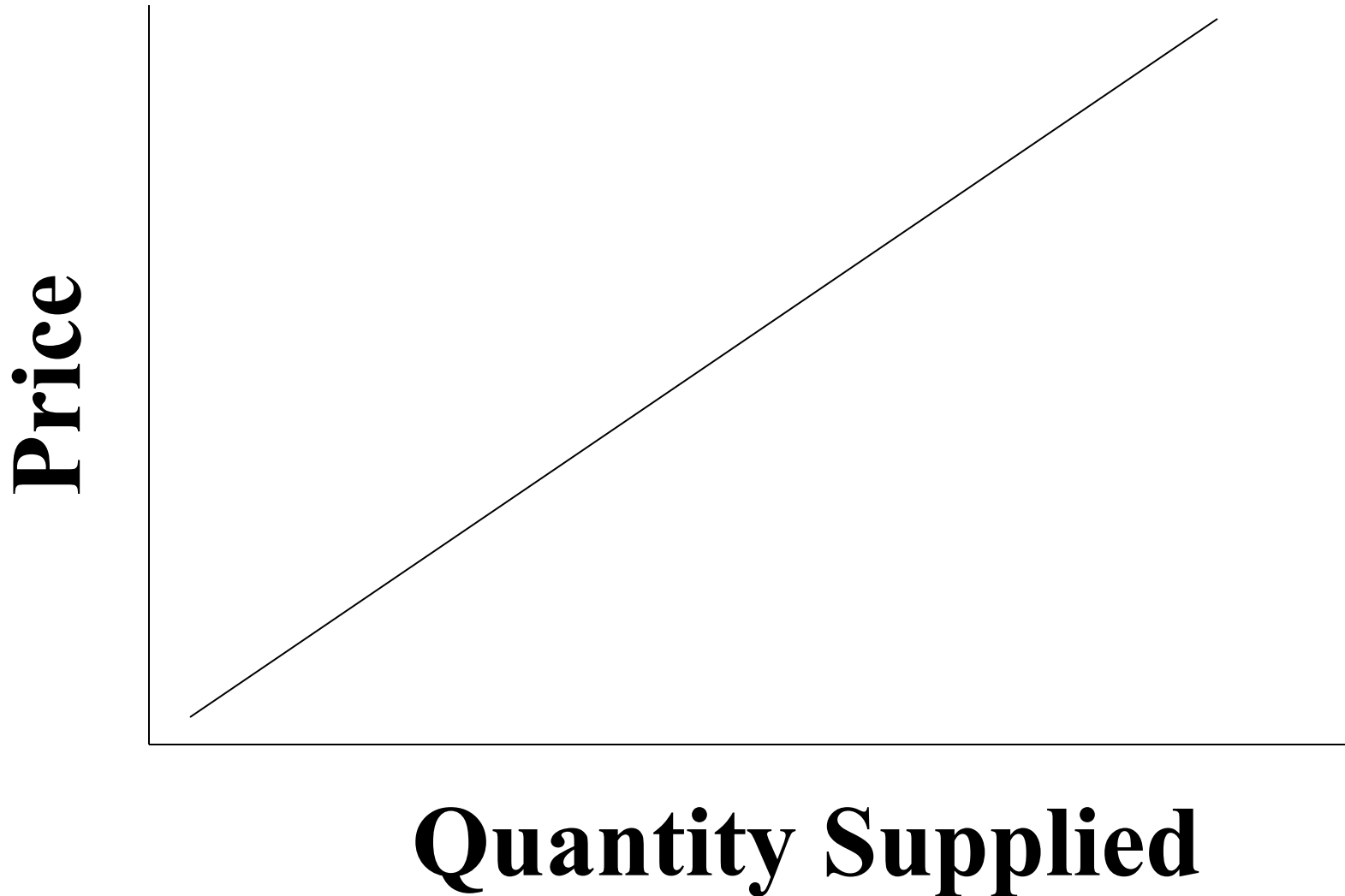
P= Price QS= Quantity Supplied

P ☐ QS ☐

P ☐ QS ☐

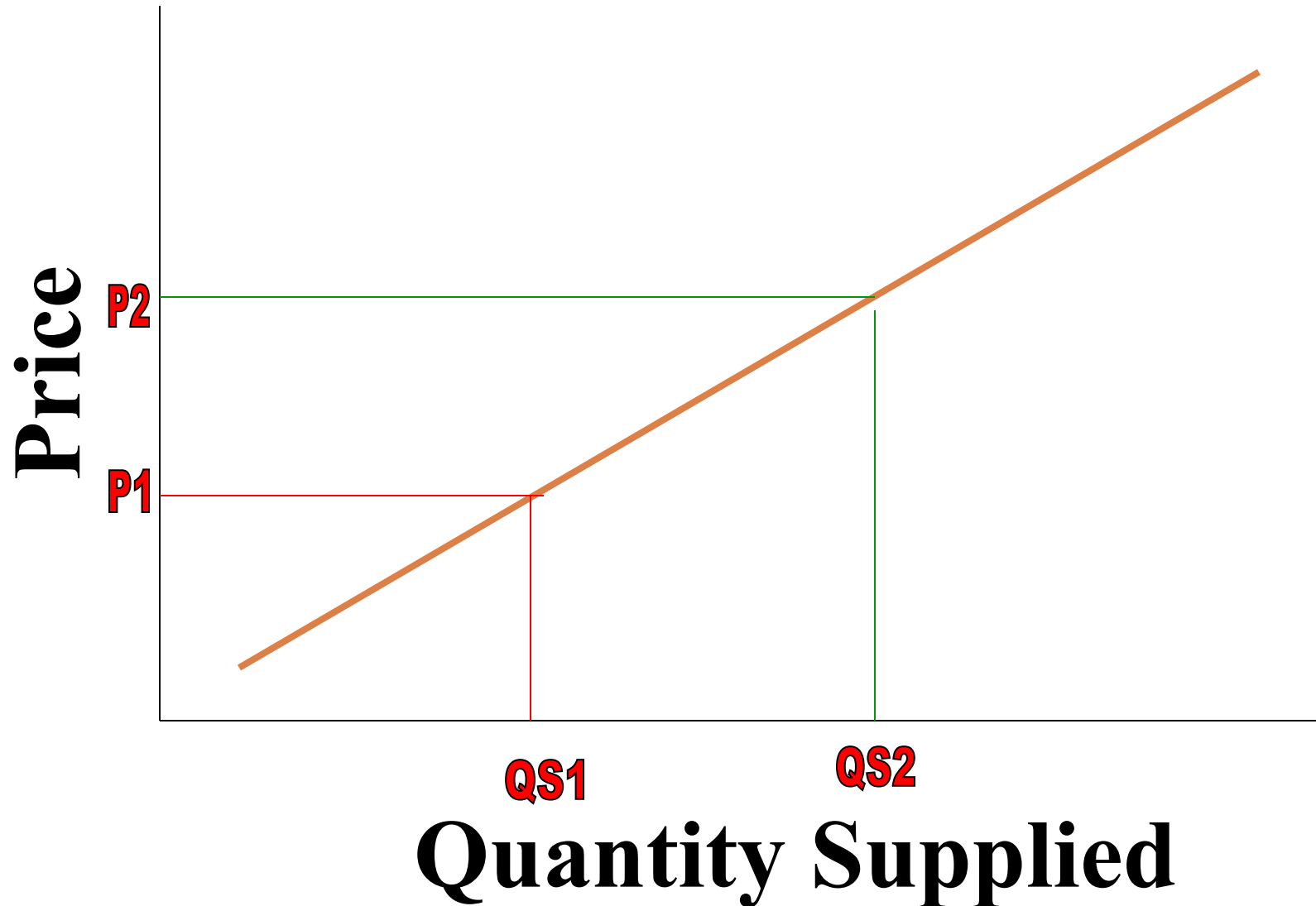
Super bowl
commercial

The Law of Supply Graph



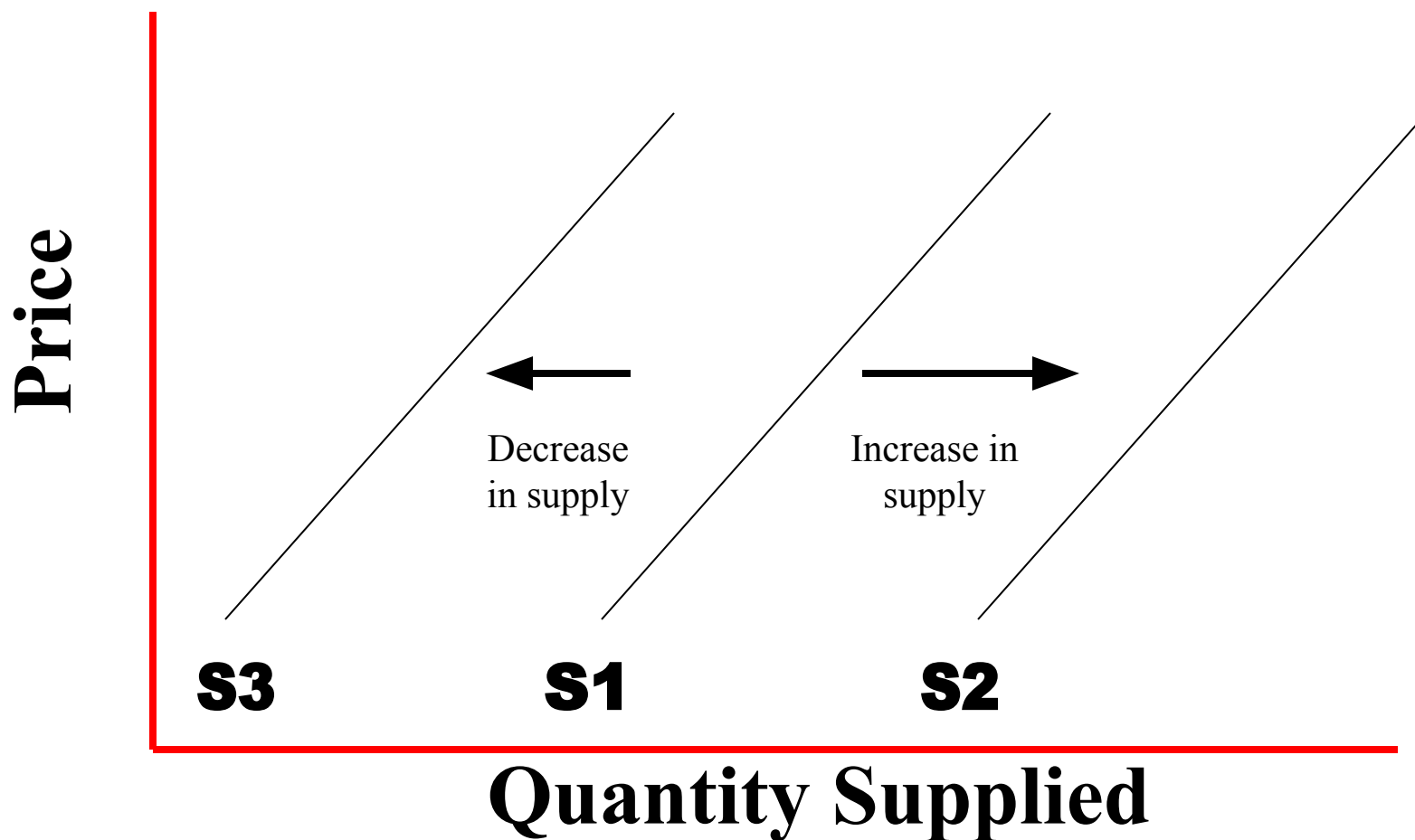
Q: What causes a change in quantity supplied?

A: Price



Q: What causes a shift in supply?

A: Non Price Determinants of Supply



Non-Price Determinants of Supply

- 1) Number of Products
- 2) Input Costs
- 3) Labor Productivity
- 4) Technology
- 5) Government Action
- 6) # of sellers
- 7) Producer Expectations

1) Number of Products

A successful new product or service always brings out competitors.



2) Input Costs

- Input costs, the collective price of resources that go into producing a good or service, affect supply directly
- Examples
 - Minimum Wage increases
 - Cost of cotton increases, supply of t-shirts decreases

3) Labor Productivity

Better trained or more-skilled workers are usually more productive. Increased productivity decreases costs and increases supply.



4) Technology

By applying scientific advances to the production process, producers have learned to generate their goods or services more efficiently.



5) Government Action

Government actions, such as taxes or subsidies, can have a positive or negative effect on production costs.

Tarif PPnBM
Kendaraan Bermotor
Angkutan Orang

Metabul Peraturan Menteri Keuangan No. 54/PMK.010/2021,
pemerintah menetapkan besaran tarif pajak penjualan atas barang
barang bergerak atau kendaraan bermotor. Berikut rincian tarif
PPnBM atas kendaraan bermotor angkutan orang untuk
pengangkutan mulai dari 10 hingga 15 orang, termasuk penumpang.

Uraian	Kapasitas Orang	Kapasitas Bahan Bakar	Tingkat Emisi CO ₂	Tarif PPnBM
Kendaraan bermotor dengan kapasitas angkutan orang lebih dari 15 orang dan kapasitas bahan bakar lebih dari 1000 liter	15000 cc	1500 liter	1500 gram/100 km	10%
Kendaraan bermotor dengan kapasitas angkutan orang lebih dari 15 orang dan kapasitas bahan bakar lebih dari 1000 liter	15000 cc	1500 liter	1500 gram/100 km	10%
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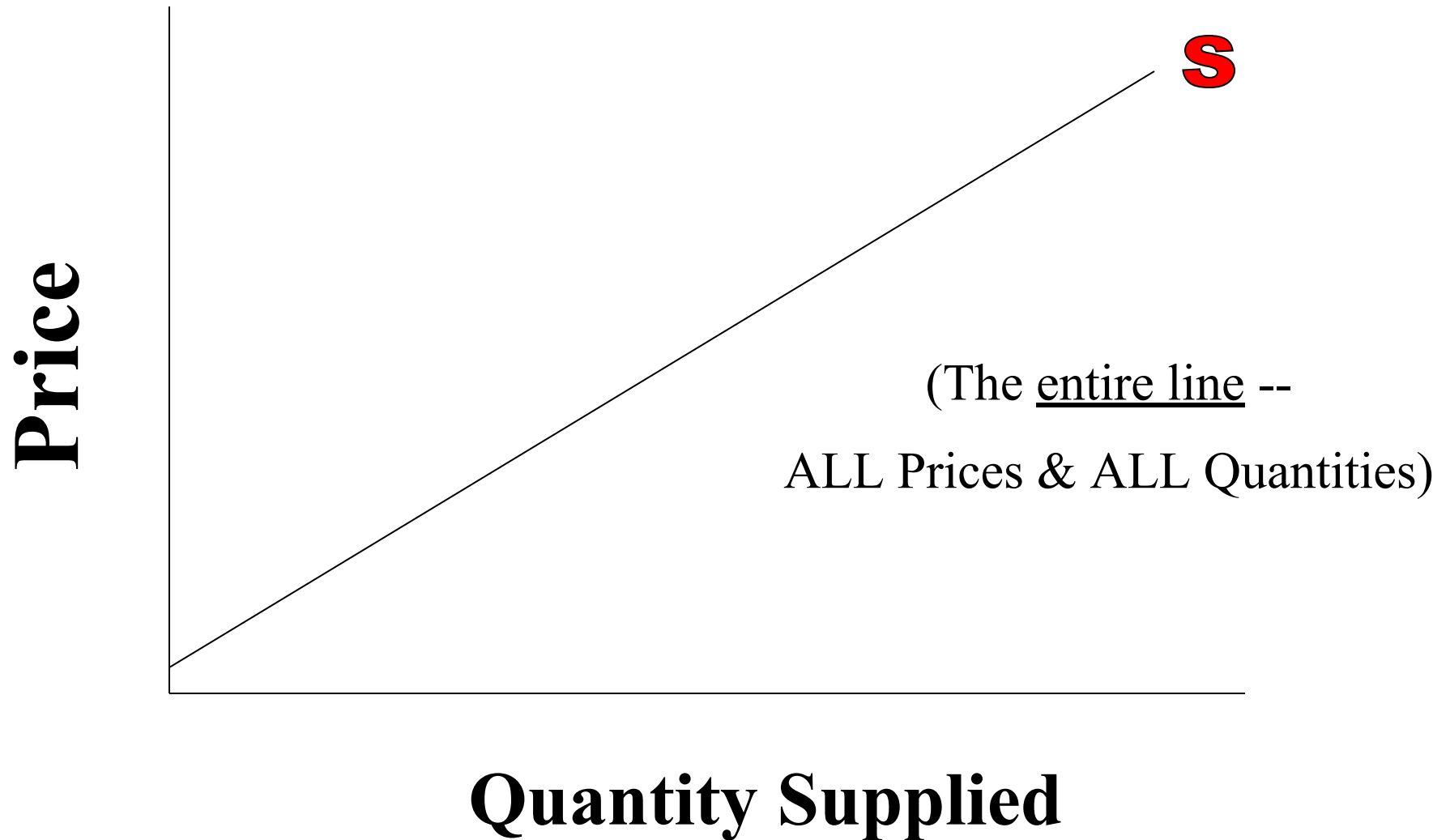


6) Producer Expectations

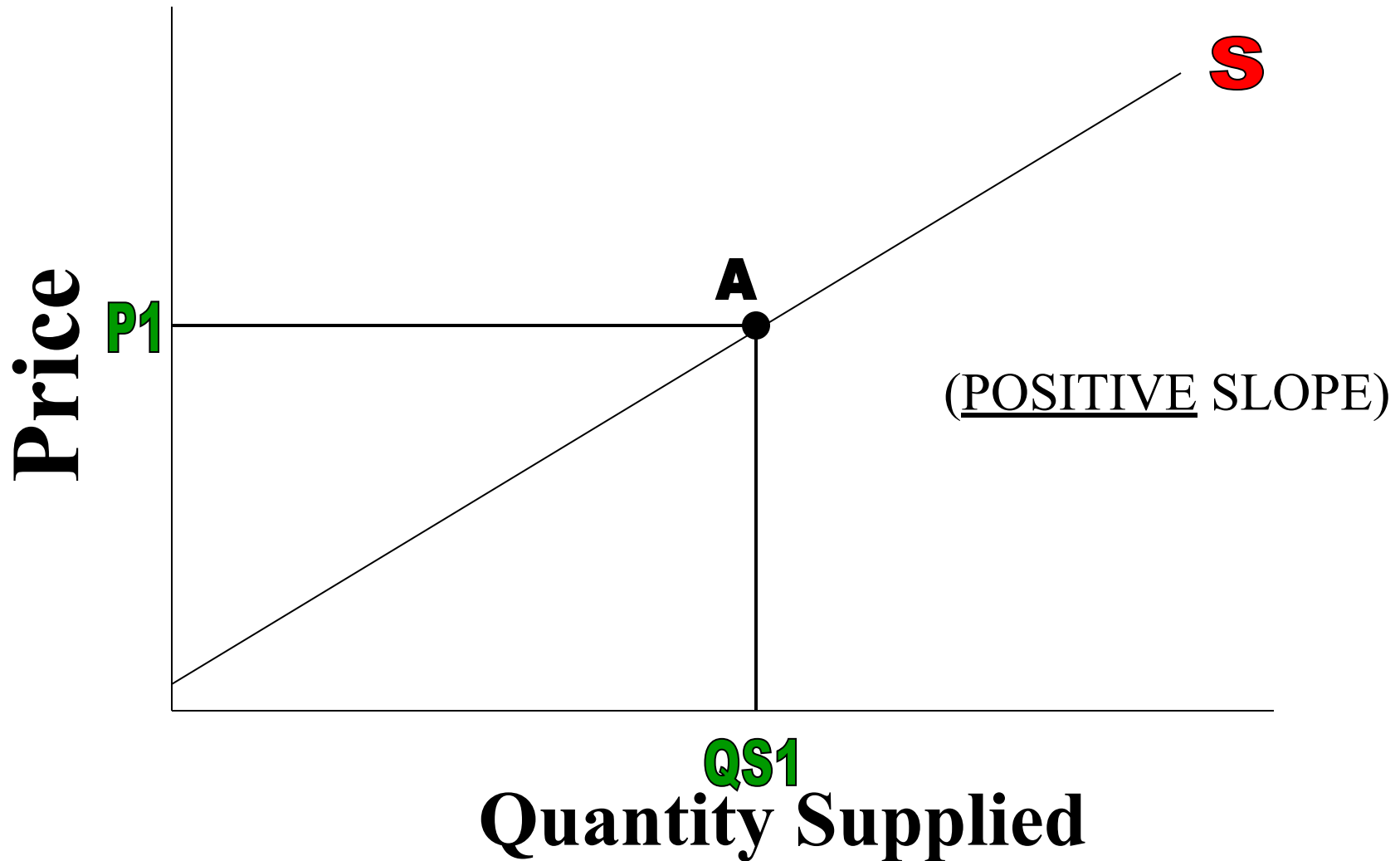


The amount of a product that producers are willing and able to supply may be influenced by whether they believe prices will go up or down.

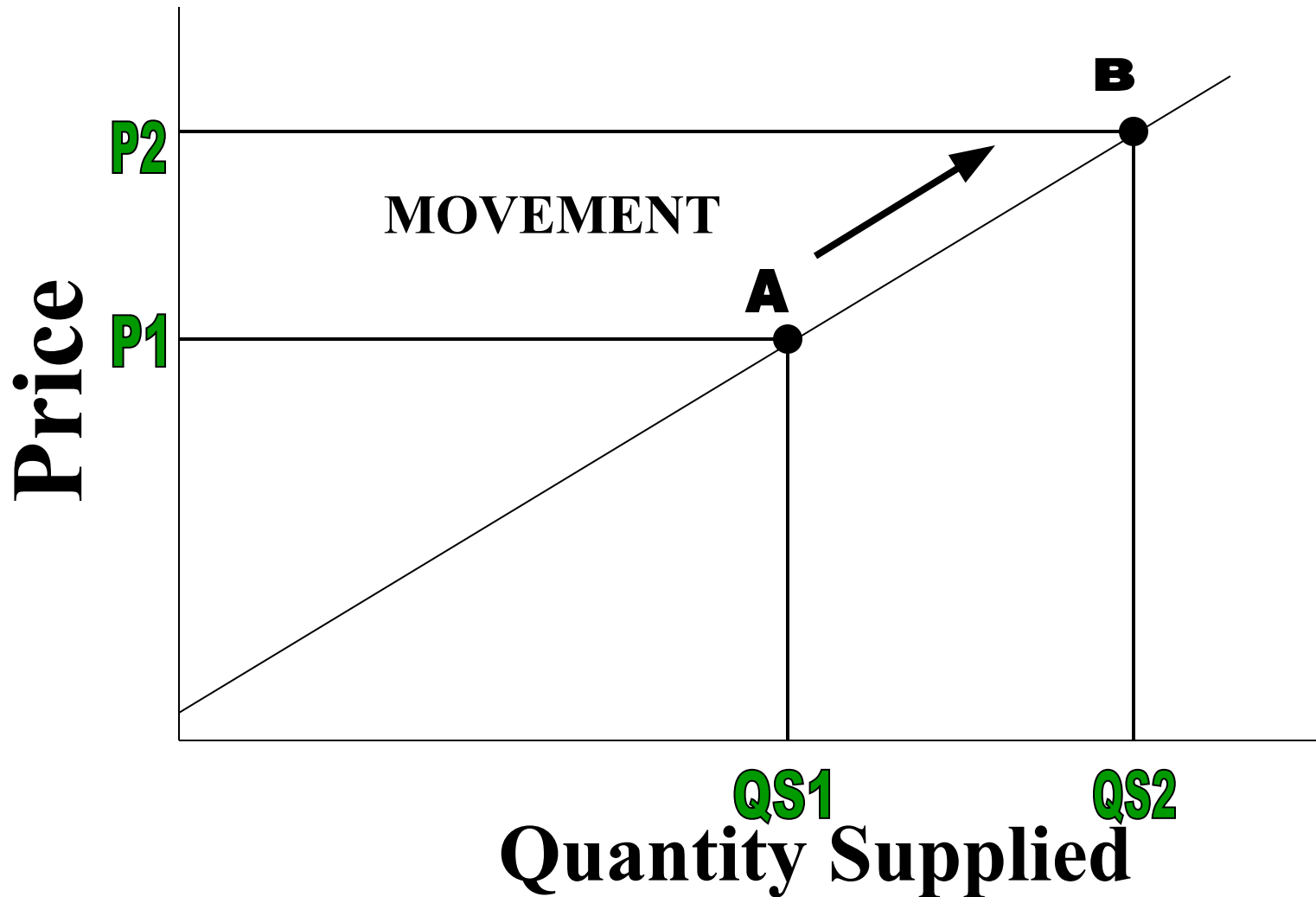
SUPPLY



QUANTITY Supplied



Change in QUANTITY Supplied



Change in SUPPLY

