



PRESIDENCY COLLEGE
(Autonomous)



*Reaccredited by
NAAC with A+*

Microeconomics

Law of Demand

Presidency
Group

OVER
40
YEARS
OF ACADEMIC
WISDOM



PRESIDENCY COLLEGE

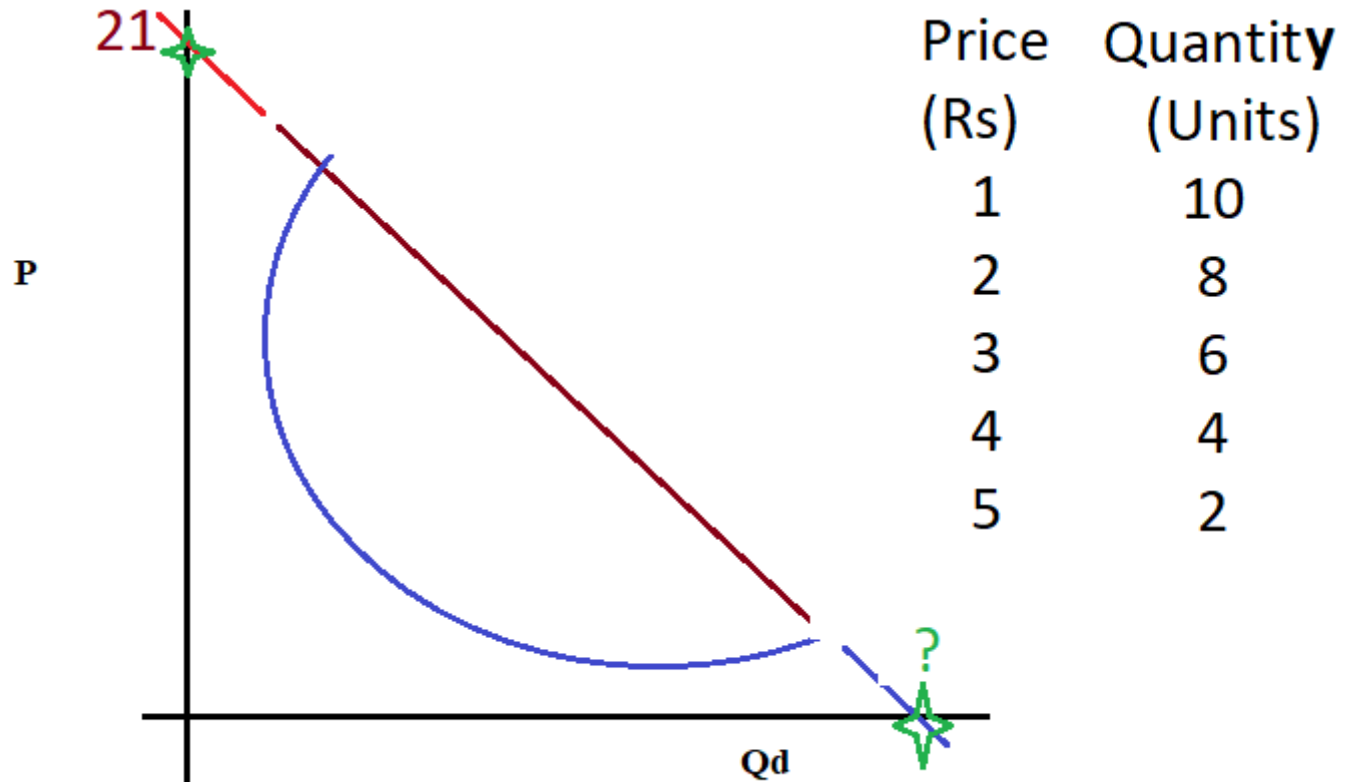
(AUTONOMOUS)

AFFILIATED TO BENGALURU CITY UNIVERSITY, APPROVED BY AICTE, DELHI & RECOGNISED BY THE GOVT. OF KARNATAKA

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Demand Curves & Equations



Demand Curve & Demand Schedule

$$Q_d = 10 - 2P$$

$$Q_d = 100 - 0.5P$$

$$P_{\max} = 200, Q_{d \max} = 100$$

Take price as 20, 40, 60, 80, 100 to derive the schedule.

Draw the demand curve & the Schedule for the above given demand Functions.



Determinants of demand

Levels of income.

Population.

Tastes and preferences.

Price of substitute goods

* Price Effect = Income effect + Substitution Effect



Why the demand curve Slopes Downwards?

- LDMU
- Income Effect
- Substitution effect
- Alternate Uses

Exemptions to the Law:

Giffen good, Veblen Effect (Snob Effect),
Bandwagon

