

# Determinants

Something that affects supply and demand curves.

## Demand

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## Related Goods

### Complements

Stuff that goes together.

If price of a complement increases, demand for the other good decreases.

If price of the complement decreases, demand for the other good increases.

### Substitutes

Replacements

If price of substitute increases, demand for other good increases.

If price of substitute decreases, demand for other good decreases.

## Income

### Normal Goods

Brand Names

Income is directly proportional to amount of Normal Goods bought.

### Inferior Good

Knock-Offs

Income is inversely proportional to amount of Inferior Goods bought.

## Preference

Preferences increase, demand increases  
Preferences decrease, demand decreases

## **Expectations**

Expect higher prices in future, current demand increases  
Expect lower prices in future, current demand decreases

## **Numbers of buyers**

(Population)  
Directly proportional

## **Supply**

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## **Government**

### **Taxes**

Inversely proportional

### **Subsidies (opposite of a tax)**

Directly proportional

### **Regulations**

Inversely proportional

### **Resource cost**

If the price of resource increase, supply falls. (Inversely proportional)

## **Expectations**

Expect to sell more they produce more.

## **Number of sellers**

Directly proportional

**Technology**

Directly proportional