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An extension of the demand occurs occurs when there is a fall in price resulting in more of the good being demanded

A contraction of demand occurs when a rise in price leads to less being demanded

The price of substitute goods or goods in competing demand

The prices of goods in joint demand or complementary good

Personal income (or more strictly personal disposable income, after tax and receipt of benefits)

Tastes and preferences

Population size, which influences total market size

Subsidies granted by the government to firms

Taxes imposed on firms, such as VAT, excise duties and the business rate

Costs of production including; wage costs, raw material costs, energy costs and costs of borrowing

Technical Progress

Condition of Demand - A
determinant of demand, other than
the good's own price, that fixes the
position of the demand curve

A movement along a demand curve take place **only** when the goods price changes

If any of the conditions change the demand curve shifts left or right

The Conditions of Demand:

Price Determination in a Competitive Market

The Conditions of Supply:

Condition of Supply - Determinants of supply, other than the good's own price, that fix the position of the supply curve

Total Revenue - The money a firm receives from selling its output, calculated by multiplying the price by the quantity sold

Profit - The difference between total sales revenue and total costs of production

Composite Demand - Demand for a good which has more than one use

Derived Demand - Demand for a good which is an input into the production of another good

Competitive Market - A market in which the large number of buyers and sellers possess good market information and can easily enter or leave the market

Supply - The quantity of a good or service that firms are willing and able to sell at given prices in a given period of time

Equilibrium Price - The price at which planned demand for a good or service exactly equals planned supply

Market Supply - The quantity of a good or service that all firms plan to sell at given prices in a given period of time

Effective Demand - The desire for a good or service backed by an ability to pay.

Market Demand - The quantity of a good or service that all consumers in a market are willing and able to buy at different market prices

Demand - The quantity of a good or service that consumers are willing and able to buy at given prices in a given period of time. For economists, demand is always effective demand

Market Equilibrium - A market is in equilibrium when planned demand equals planned supply and the demand curve crosses the supply curve. In this situation there is no excess demand or excess supply in the market. Unless some event disturbs the equilibrium, there is no reason for the price to change.

Inferior Good - A good for which demand decreases as income rises and demand increases as income falls

Normal Good - A good for which demand increases as income rises and demand decreases as income falls

Joint Supply - When one good is produced, another good is also produced from the same raw materials

Competing Supply - When raw materials are used to produce one good they cannot be used to produce another good

Complementary Good - A good in joint demand, or a good which is demanded at the same time as the other good

Substitute Good - A good in competing demand, namely a good which can be used in place of another good