* Chapter 3: Demand Analysis
  + Demand relationships
    - Demand schedule
    - **Movement** down the demand schedule vs. **shift** in demand
    - Real income effect – reduced (opportunity) cost elsewhere allows for greater consumption in another area (e.g., less money on rent means more money on movies)
    - Substitution effect – price of one alternative decreases relative to other alternatives (e.g., movie vs. other entertainment options)
    - Switching costs
    - Durable goods
    - Targeting – gunning for specific, repeat customers
    - Positioning – marquee good
  + Price elasticity of demand
    - Elasticity – percent change in quantity as a function of percent change in a determinant (e.g., price)
    - Arc price elasticity
    - Point price elasticity
    - Marginal revenue
    - Availability and closeness of substitutes
  + Income elasticity of demand
    - * Can be either at the personal or the aggregate income level
        + E.g., these 400 people experienced X changes in income **or** personal income in the state increased by Y amount
    - Arc income elasticity
    - Point income elasticity
    - Income-superior vs. income-inferior goods
      * Income-superior goods have positive income elasticities whereas income-inferior goods have negative income elasticities
    - Advertising elasticity
  + Cross elasticity of demand
    - Cross price elasticity of demand refers to the effect of a change in price of a related (i.e., complementary, supplementary) good
  + Combined effects of demand elasticities
    - If, say, you expect prices to increase and income to increase (and you expect the effects to be independent and additive) you can add the elasticities multiplied by their changes (and factor in the quantities) to estimate
* Chapter 4: