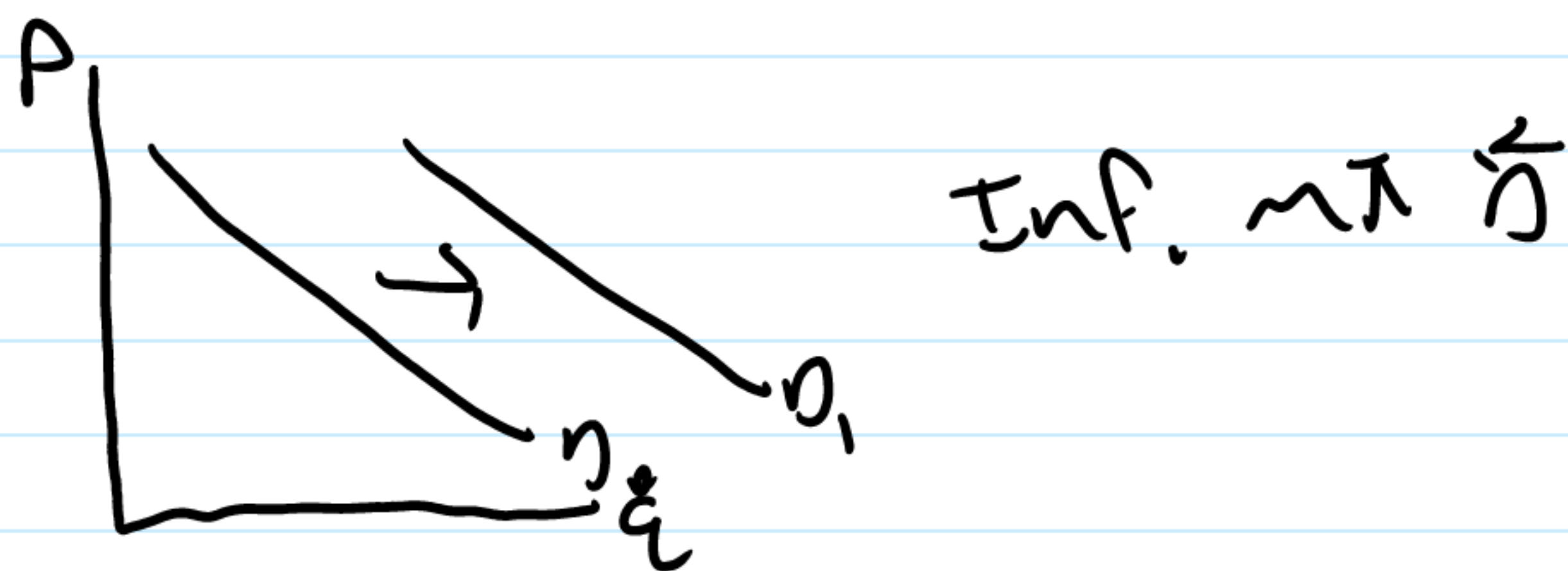


2.6 Demand Shifters

Saturday, January 16, 2021 11:06 PM

$\Delta P \rightarrow$ quantity demanded changes

Income Normal $m \uparrow, Q \rightarrow$



Prices of substitutes $\rightarrow P_S \uparrow \rightarrow Q \rightarrow$

Prices of complements $\rightarrow P_C \uparrow \rightarrow Q \leftarrow$

$$Q = b_0 + b_P P + b_S P_S + b_C P_C + b_N N + b_Z Z$$

$$\ln Q = b_0 + b_P \ln P + b_S \ln P_S + \dots$$

Elasticities

Sum!