



UNIVERSITY OF ALBERTA
ALBERTA SCHOOL OF BUSINESS

BUEC 311: Business Economics, Organization and Management

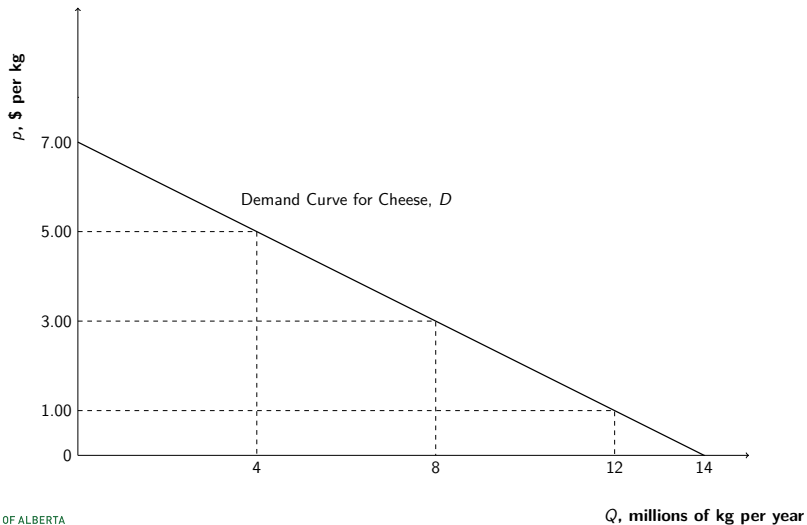
Supply and Demand Basics

Week 1 Slide Pack

Andrew Leach

August 23, 2020

The Demand Curve



Why should electricity interest you?

Price volatility:

- Electricity prices are an order of magnitude more volatile than oil or gas prices
- Both supply and demand in Alberta affect us more than global or regional supplies and demands in oil and gas markets

New technology:

- Electricity is, arguably, changing faster than any other energy market
- Alberta's electricity market is entering a period of market- and regulatory-driven transition

Economics 101 in action

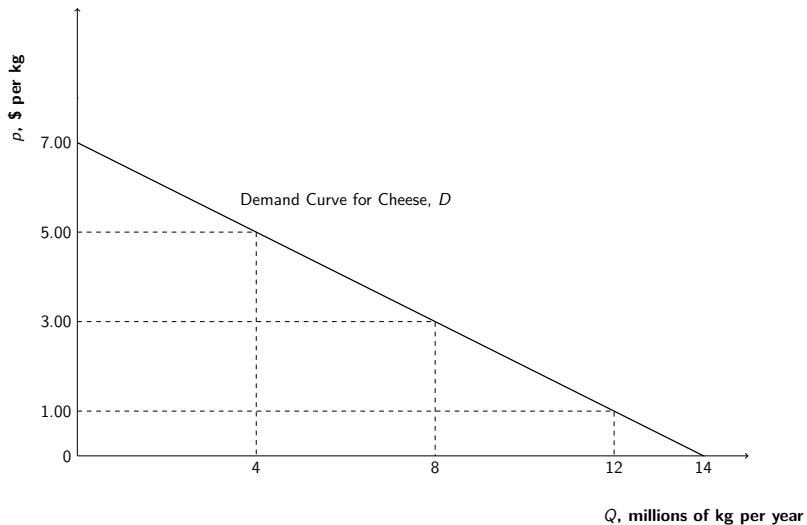
- Nowhere else will you see supply and demand curves actually mapped out in real time determining prices as clearly as in Alberta's

power market

Test 1

- Economics as a tool for decision making
 - Are businesses only interested in profit?
 - What do economists mean by profit?
- All economic models are wrong
 - Are economic models still useful?
 - Why we make simplifying assumptions
 - How models allow you to the theories and draw conclusions
- Micro vs macro vs managerial economics

Test 2



Test 3

