

## Supply and demand: Some definitions

*ceteris paribus*: “other things being equal.” This term is used, when looking at the relationship between two or three variables, to indicate that we are assuming that everything else (besides those variables) is unchanging (at least for some window of time).

When we are graphing, “line” = “curve” (whether or not it is straight or curved).

*demand*: a schedule (i.e., table) or curve (in a graph) that shows the various quantities of a product that consumers are willing and able to purchase at each specific price in a series of possible prices during some specified time frame.

*supply*: a schedule (i.e., table) or curve (in a graph) that shows the various quantities of a product that producers are willing and able to bring to sell at each specific price in a series of possible prices during some specified time frame.

*technology*: our knowledge of how to turn resources into goods and services. This can include what we think of as “technology,” for example, using computers and computer programs, as well as using simple technologies such as a tortilla press or a pizza oven. The overall theme here, however, is knowing how to turn resources into the good—how the process should go, how to build whatever tools we need, etc.