







**Price**

Consumers buy 20% more at all prices

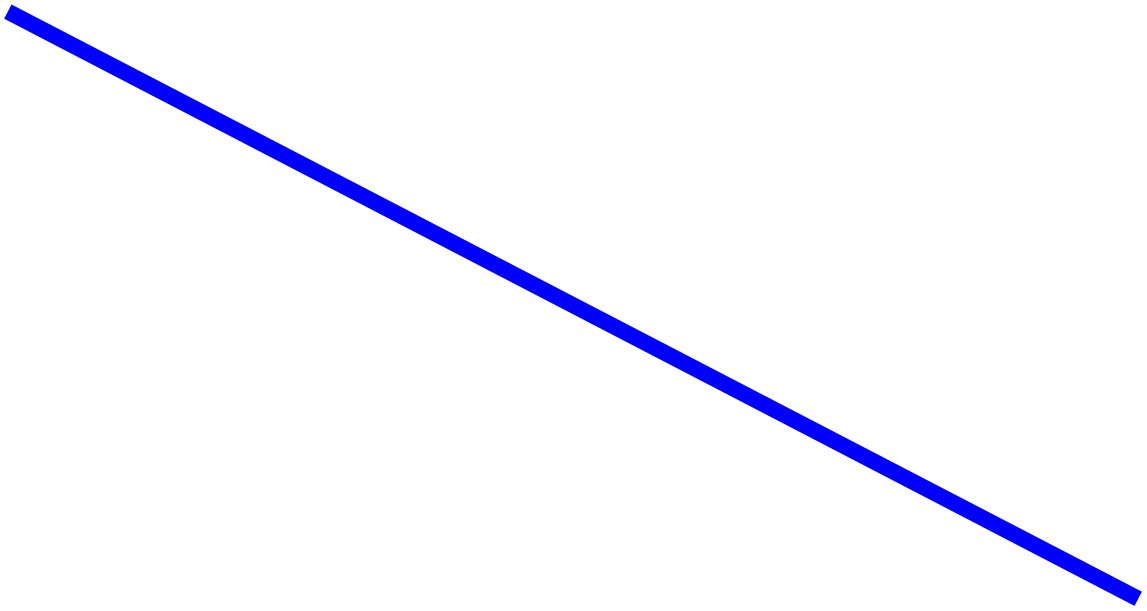
P

=

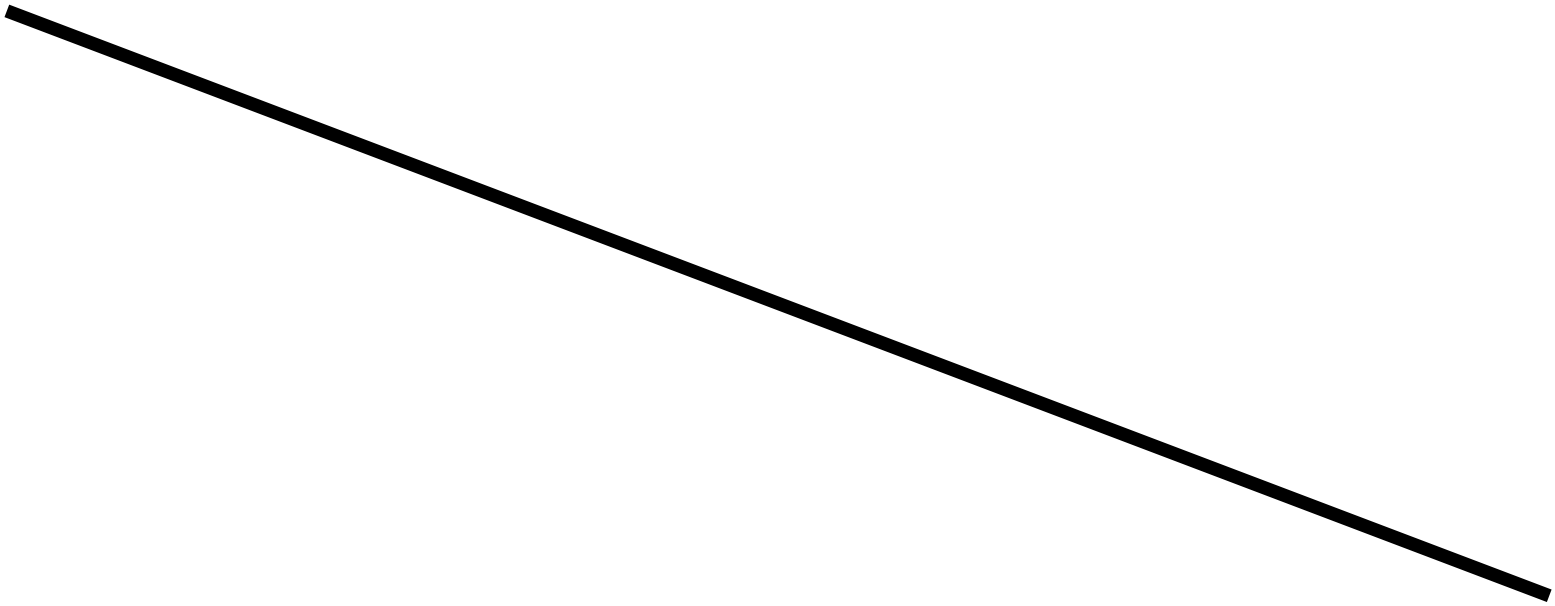
1

0









**P**

**=**

**1**

**0**



**New Demand**



$$q_d = 24$$

$$Q^d = (20 - 2P)(1 + 0.2)$$

If  $Q^d = 0$



**0**

**=**

**24**

**=**

**2.4P**

**2.4P = 24**

**P**

**=**

**24**

**/**

**2**

**.**

**4**

**P**

**=**

**1**

**0**

$$Q^d = 20 - 2P$$

$$q_d = 20$$



$$\text{If } p = 0$$



$$Q^d = 24 - 2.4P$$



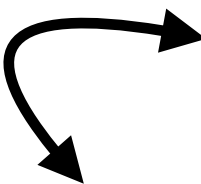
NOT Parallel Shift

$$Q^d = 20(1.2) - 2P(1.2)$$

$$Q^d = (20 - 2P)(1.2)$$

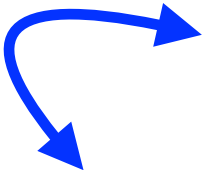
**NewD = OldD + 20%**

Consumers buy 20% more at all prices



**Slope = 10/24**



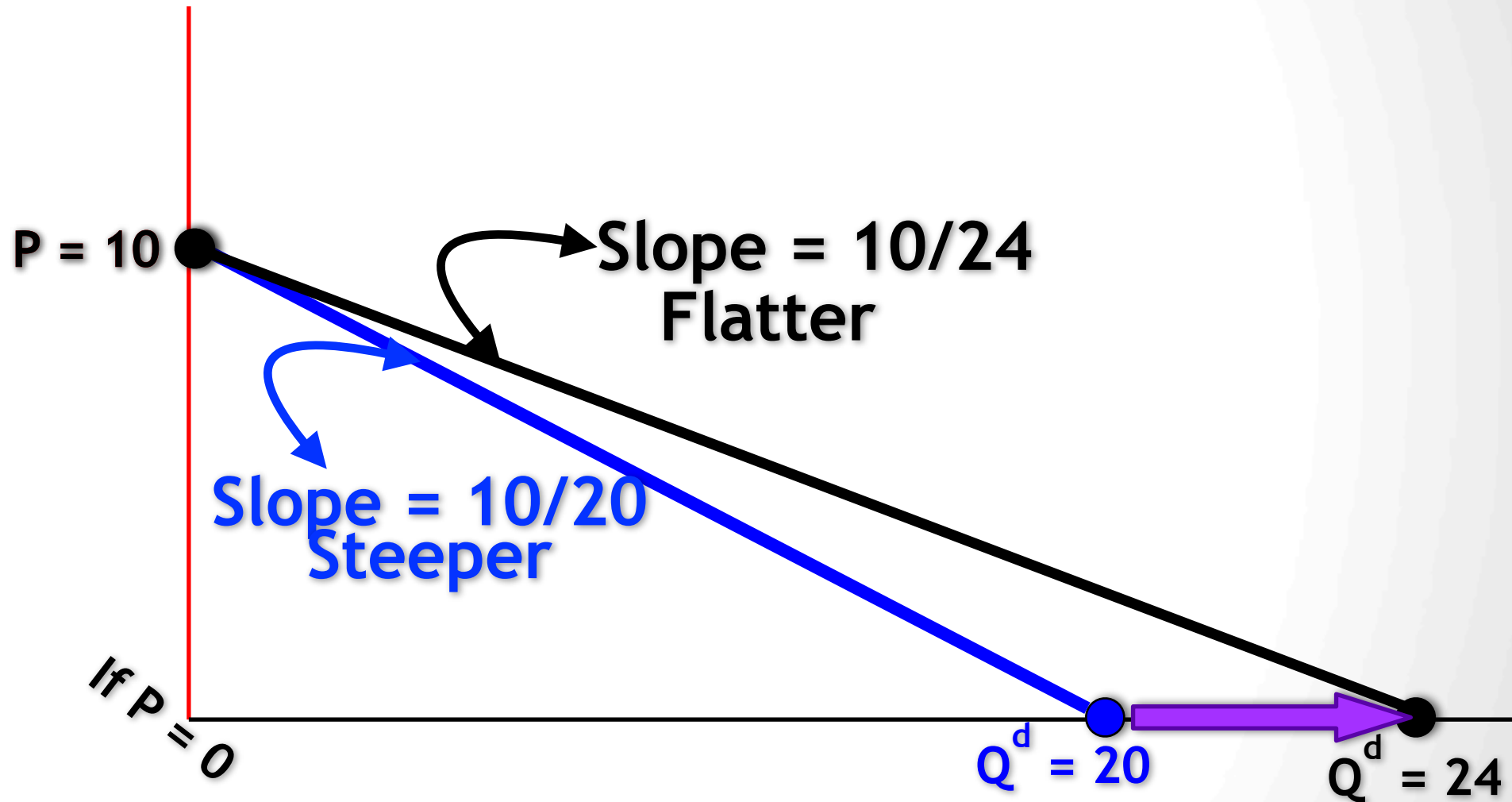


**Slope = 10/20**

**Flatter**

Steep(er)

# NOT a Parallel Shift



**Consumers buy 20% more at all prices**

Price

$P = 10$

Demand

$$Q^d = 20 - 2P$$

$Q^d = 20$

