



iPods and iTunes songs are complement goods

Price of iPod decreases

What will happen to  
demand for iTunes?

What will happen to  
demand for iPods?

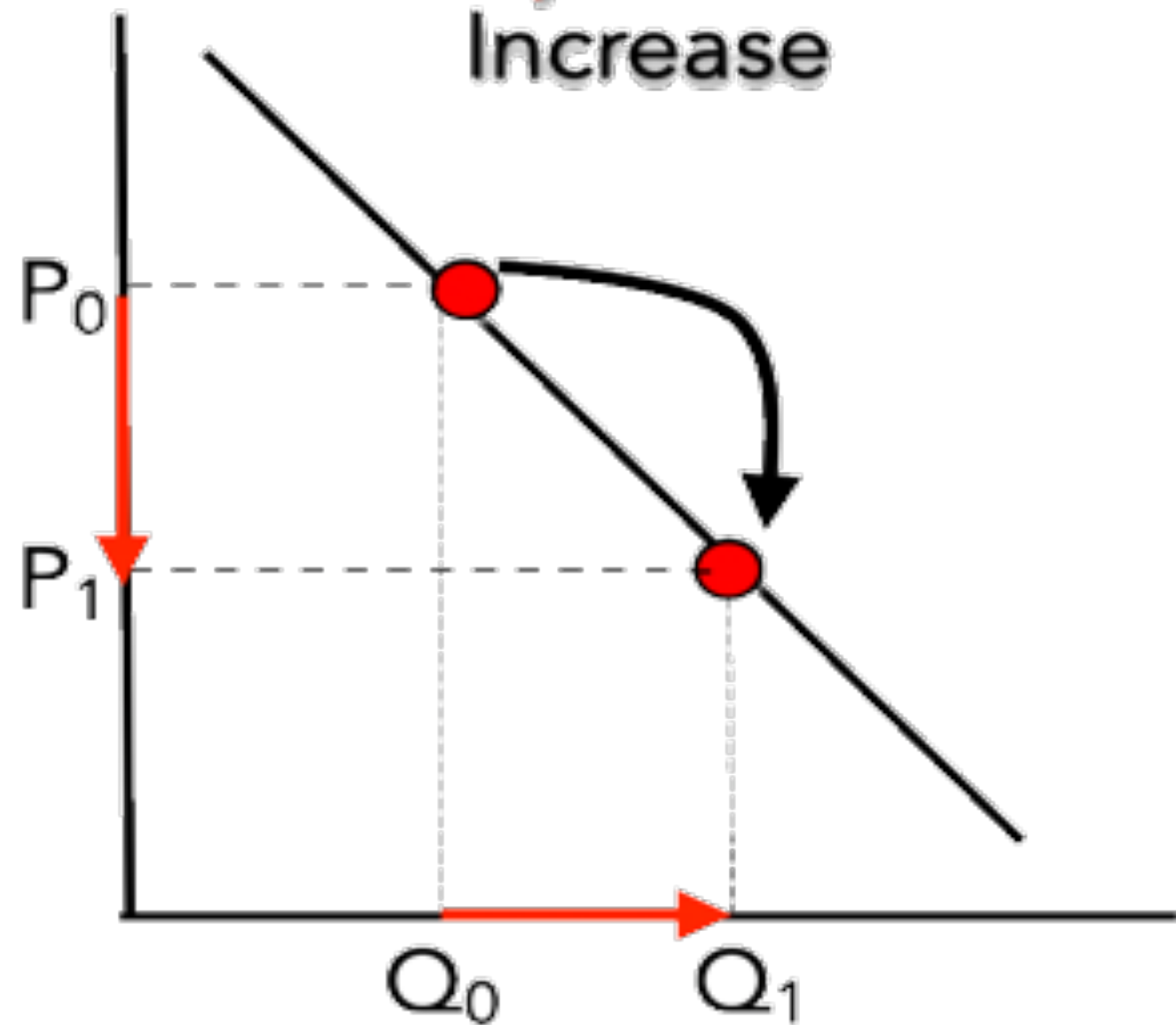
What will happen to the  
quantity demanded for  
iPods?

No shift

No change

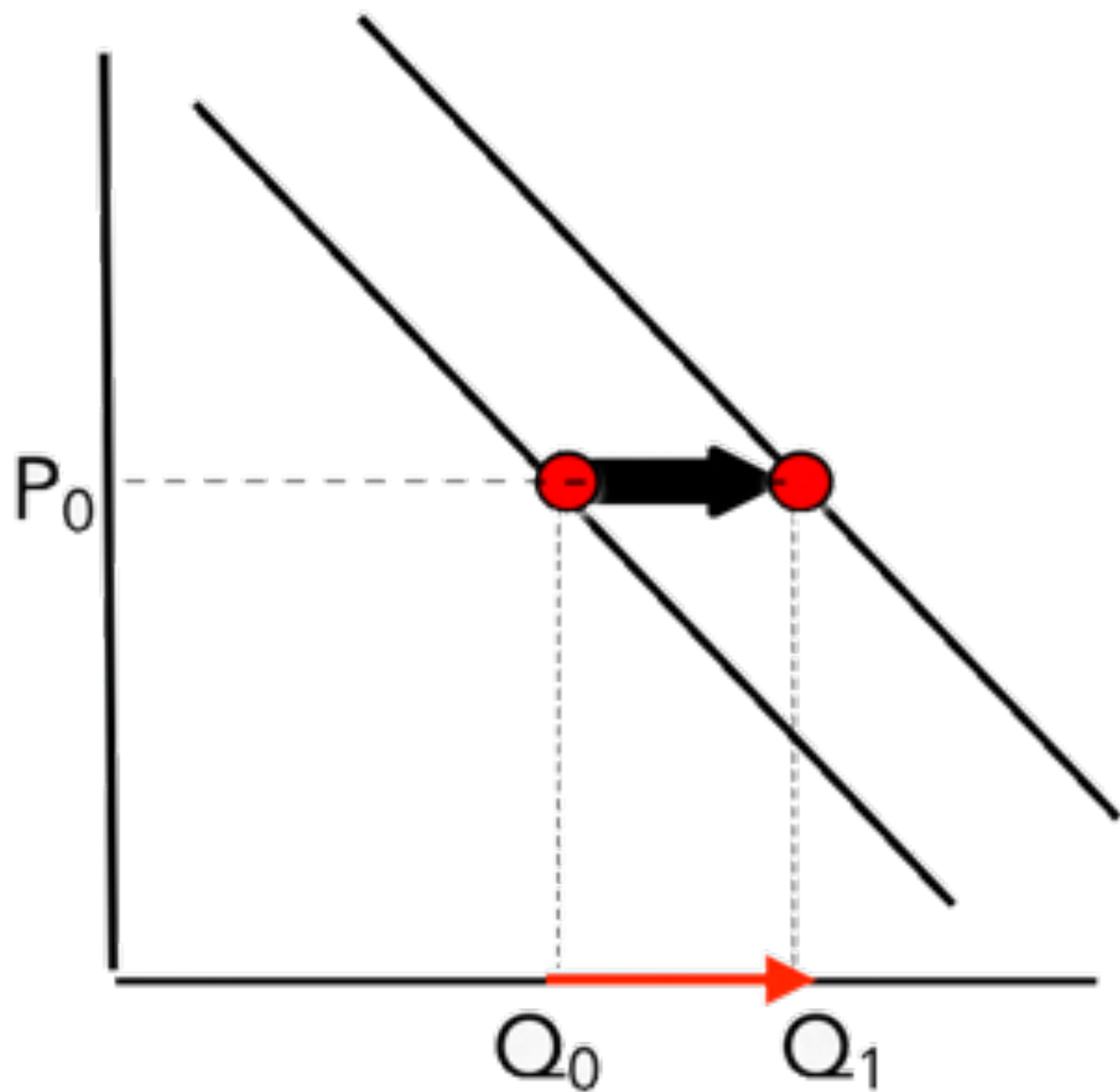


Quantity Demanded  
Increase



Caused by Price drop

## Demand Increase



Caused by **change in the price of a complement**

iPods and iTunes songs are complement goods

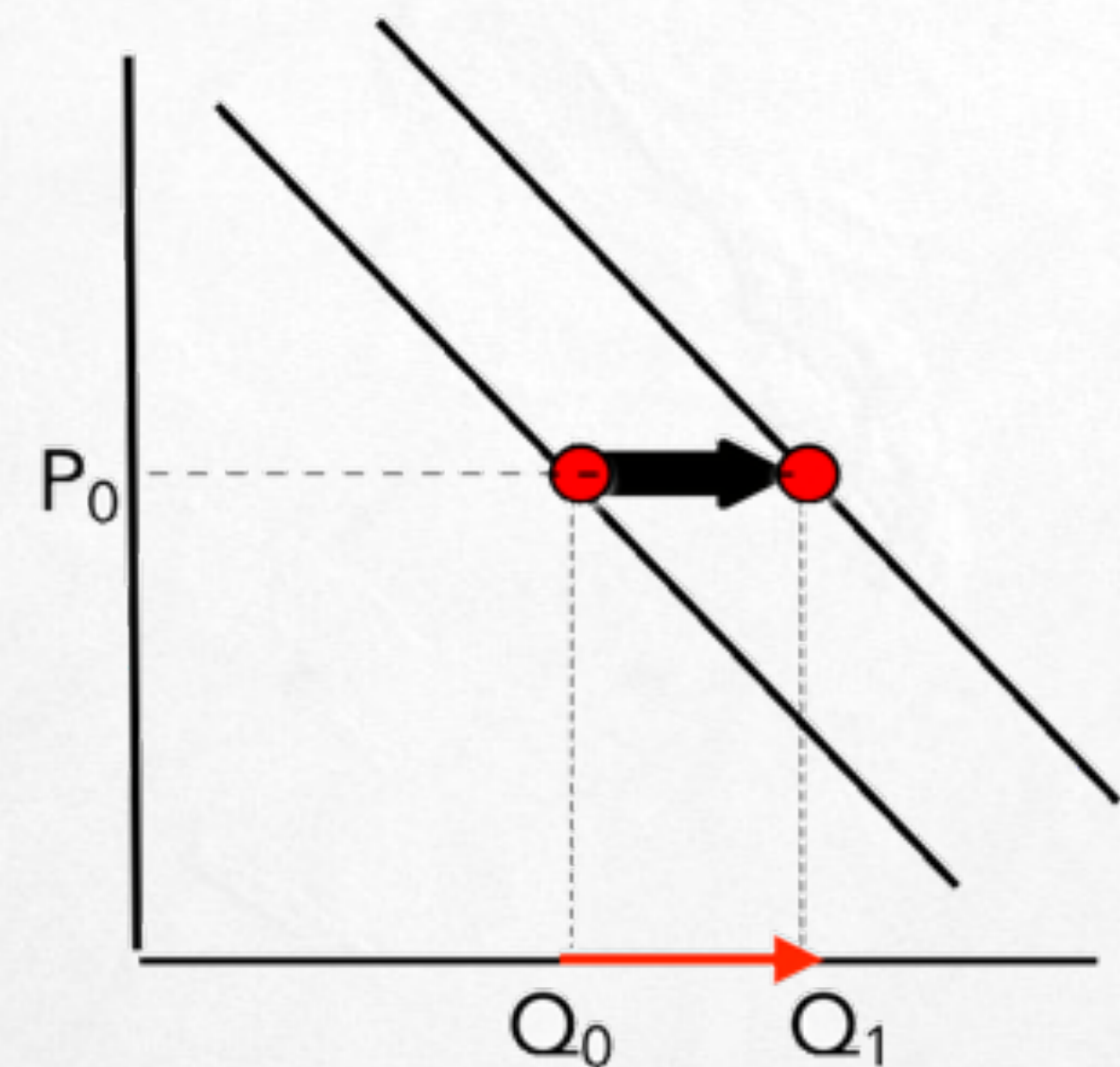
Price of iPod decrease

No change

No shift

What will happen to demand for iTunes?

Demand Increase



Caused by change in the price of a complement

What will happen to demand for iPods?

What will happen to the quantity demanded for iPods?

