





Price

Consumers buy 20% less at all prices

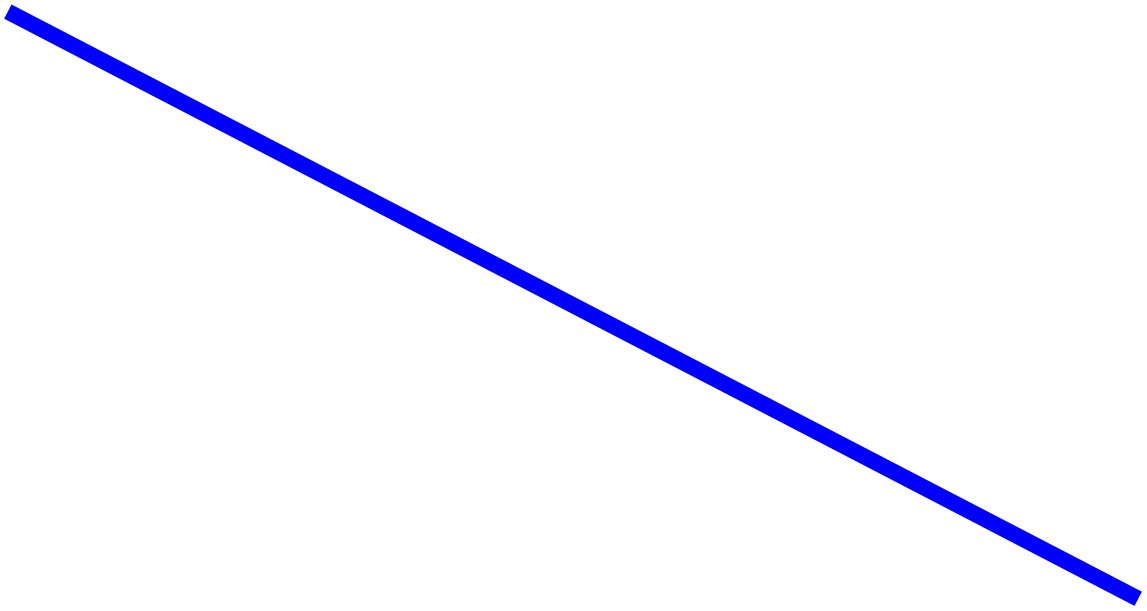
P

=

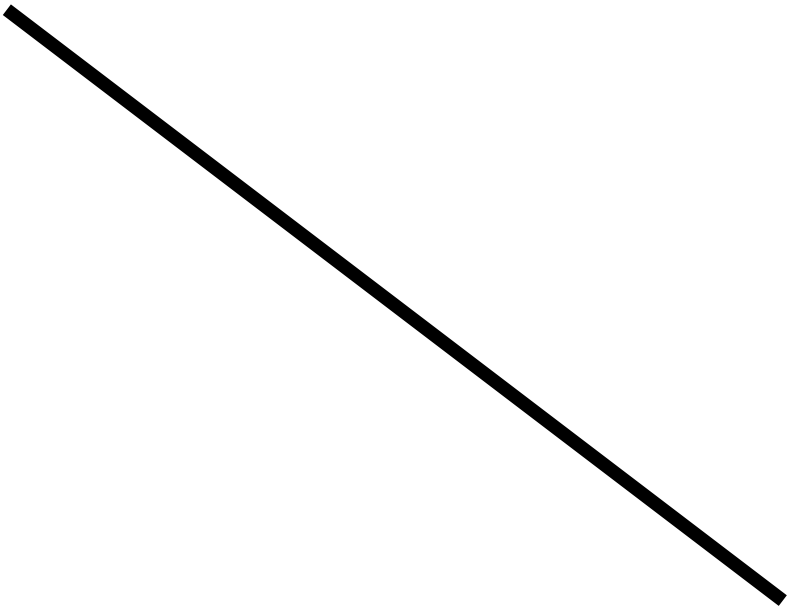
1

0





Demand



P

=

1

0



New Demand



$$q_d = 20(0.8)$$

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

$$q_d = 20$$





NOT Parallel Shift

$$Q^d \equiv (20 - 2P)(1 - 0.2)$$

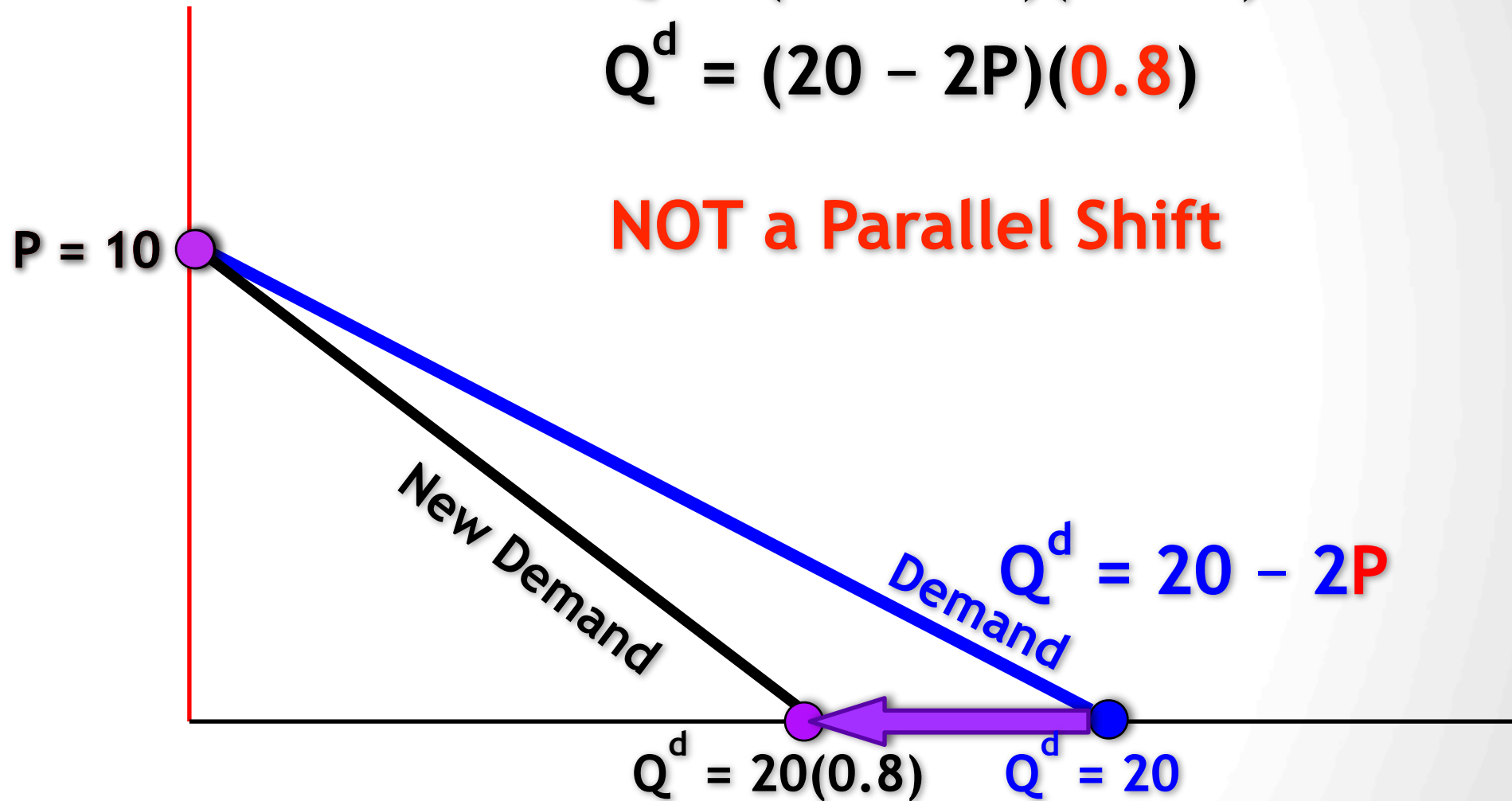
$$Q^d = (20 - 2P)(0.8)$$

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The “Ceteris Paribus” Assumption