







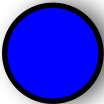
Price

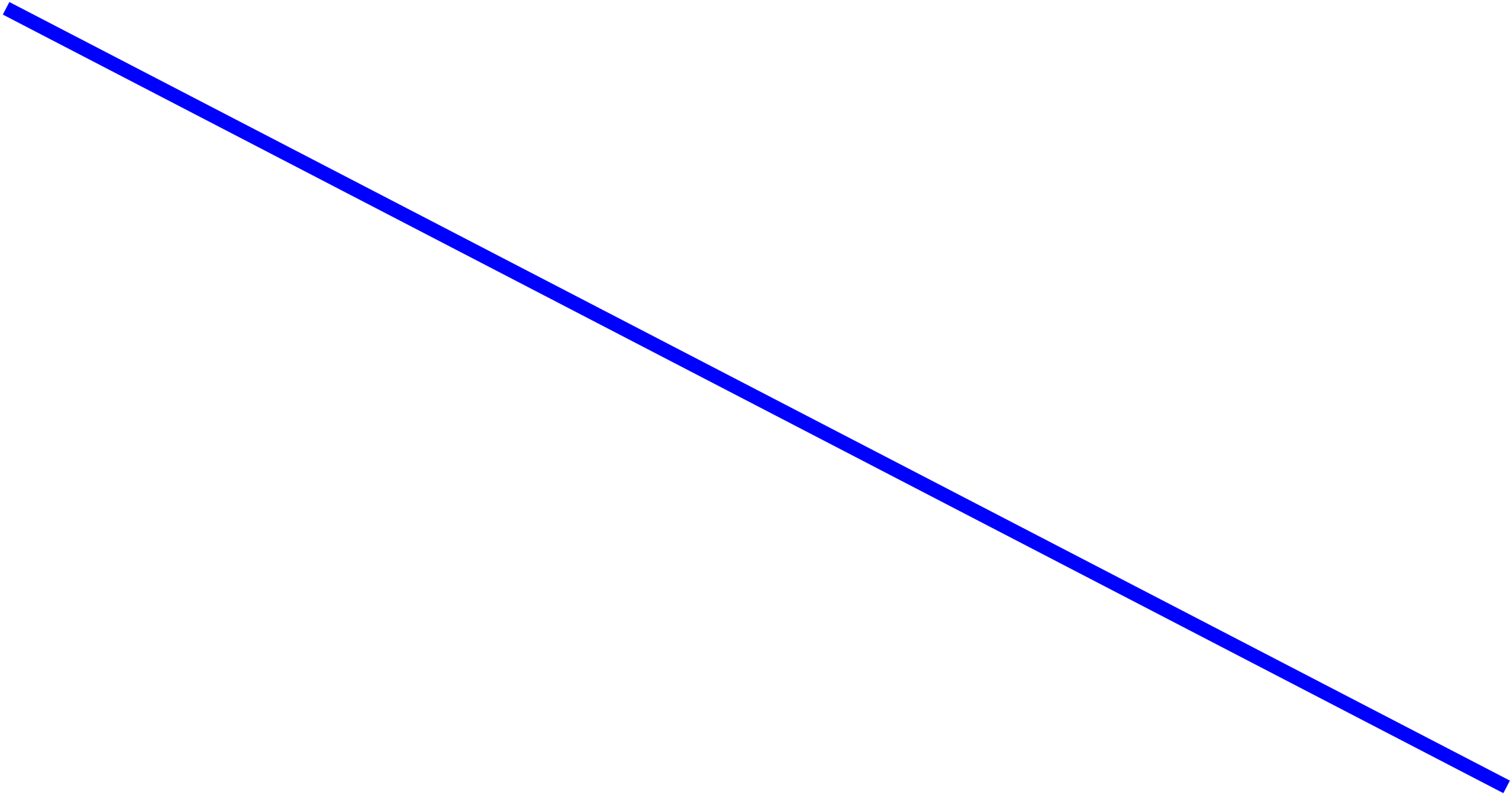
Consumers buy 20% more at all prices

**P**

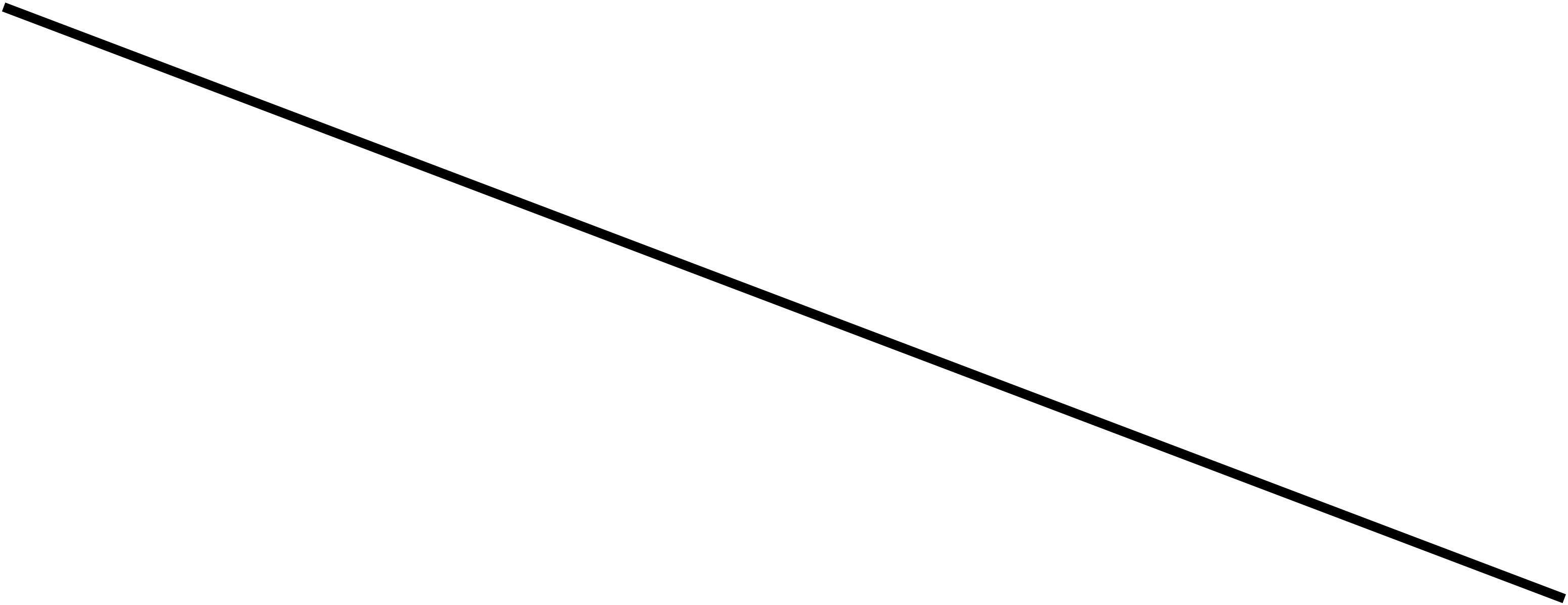
**=**

**10**









**P = 10**



New Demand



$$Q^d = 24$$

$$\text{New Q}^d = (20 - 2P)(1 + 0.2)$$

If odd = 0



0 = 24 - 2.4P

**2.4P = 24**

$$P = 24/2.4$$

**P = 10**

OldQ<sup>d</sup> = 20 - 2P

$$Q^d = 20$$



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



NewQ<sup>d</sup> = 24-2.4P



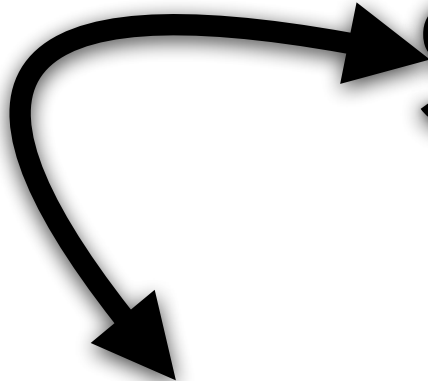
NOT Parallel Shift

$$\text{New } Q^d = 20(1.2) - 2P(1.2)$$

$$\text{New } Q^d = (20 - 2P)(1.2)$$

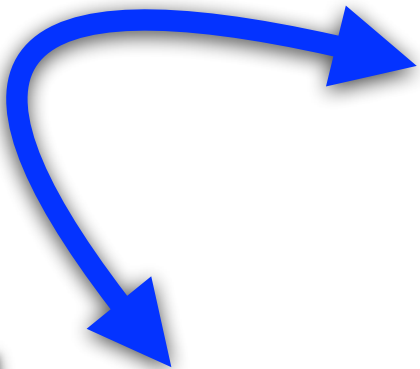
NewD  $\equiv$  OldD + 20%

Consumers buy 20% more at all prices



Slope =  $10/24$



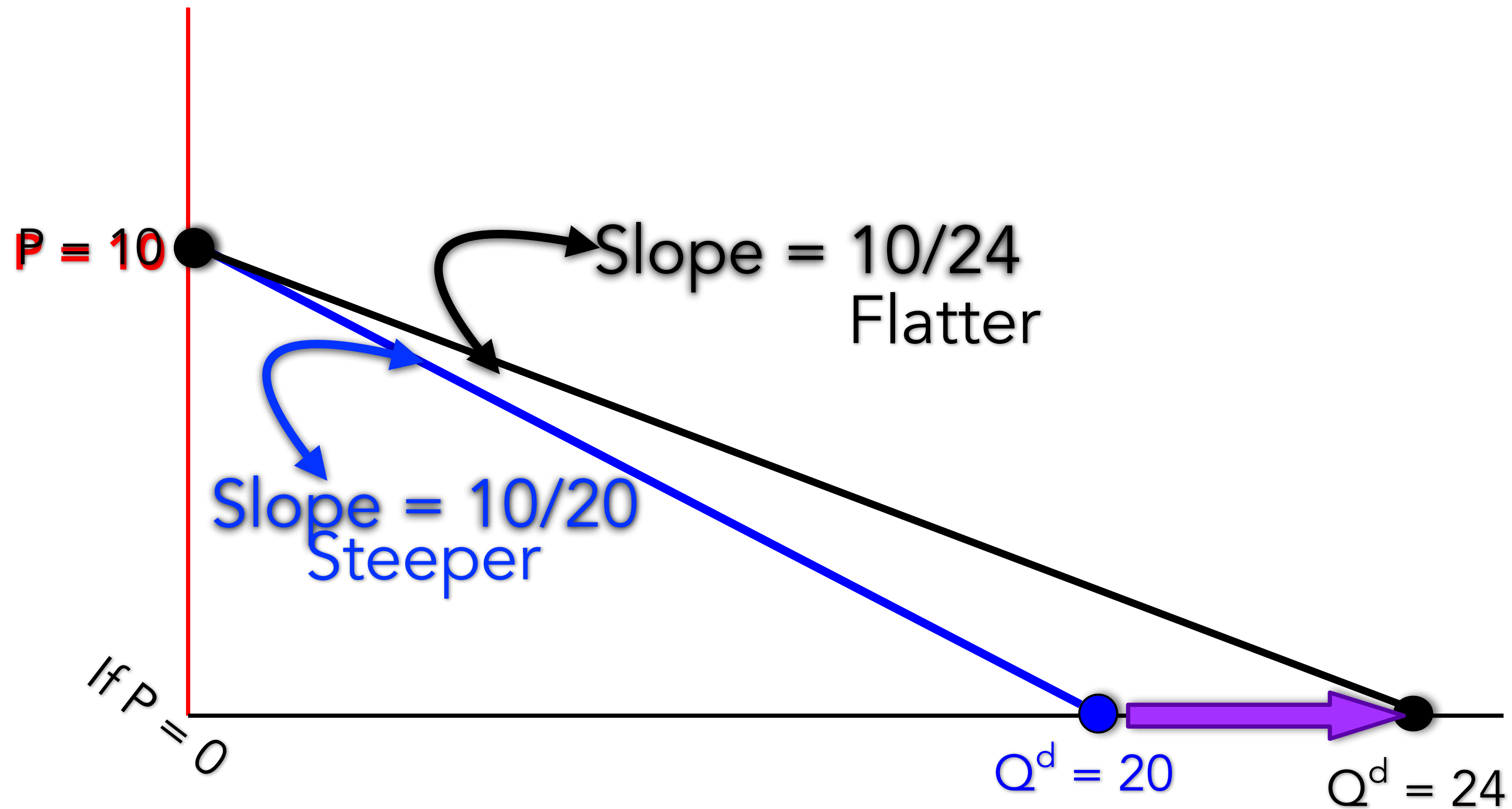


$$\text{Slope} = 10/20$$

Flatter

Steeper

# NOT a Parallel Shift



Consumers buy 20% more at all prices

