



How will buyers react to a decrease in  
the price of Fords?

Quantity Demanded increases

What if at the same time the price of

Hondas also drop?

We can not use the law of demand. Two  
variables changed: price and price of a  
related good



**Ceteris  
Paribus**







How will buyers react to a decrease in the price of Fords?

Quantity Demanded increases

What if at the same time the price of Hondas also drop?

We can not use the law of demand. Two variables changed: price and price of a related good