

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

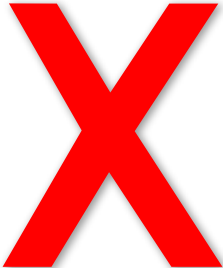
Quantity Demanded **increases**

What if at the same time that car prices drop, incomes also drop?

We can not use the law of demand.
Two variables changed (income and prices).



**Ceteris
Paribus**





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