





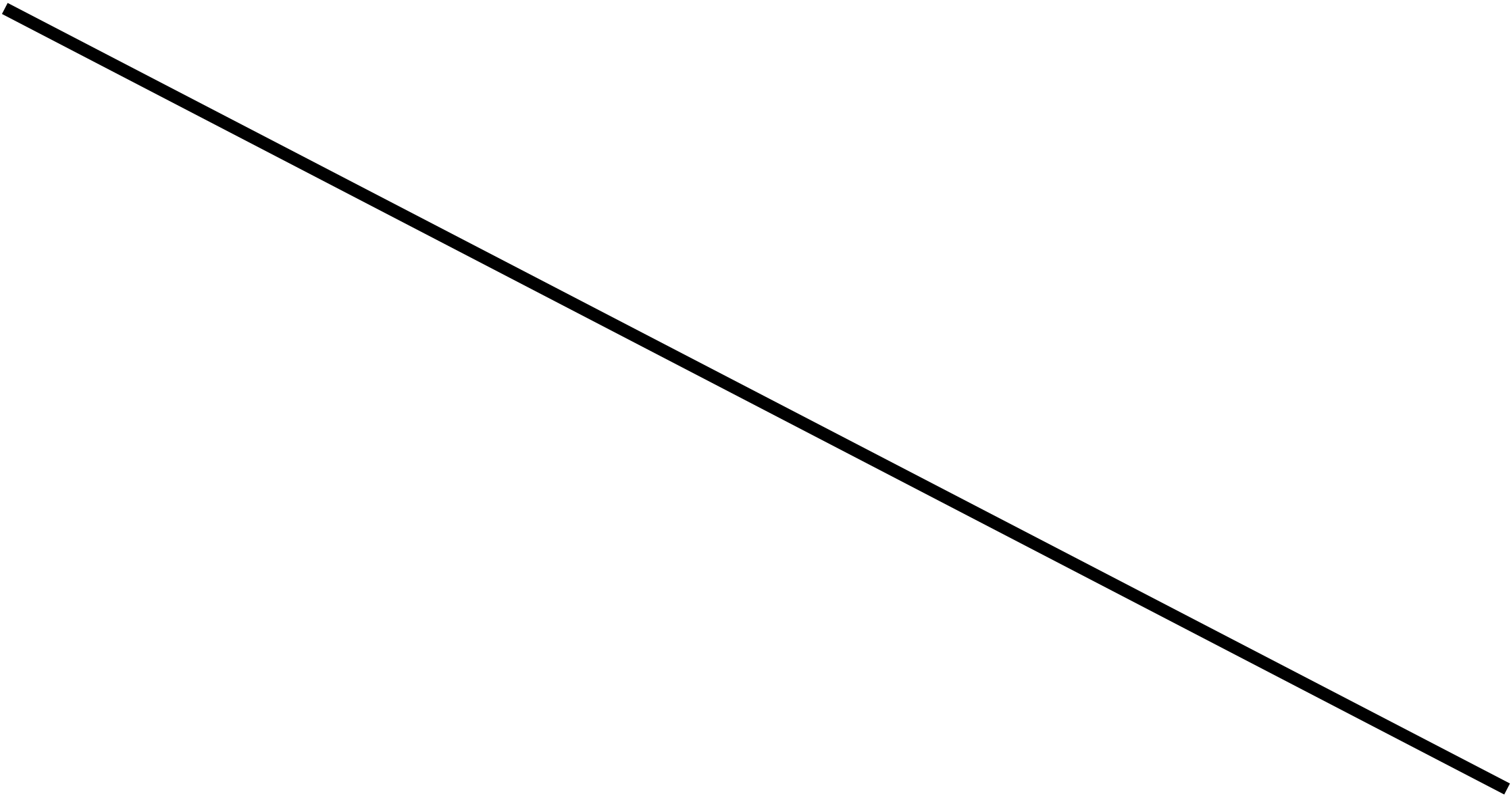


Price

Consumers buy 20% less at all prices

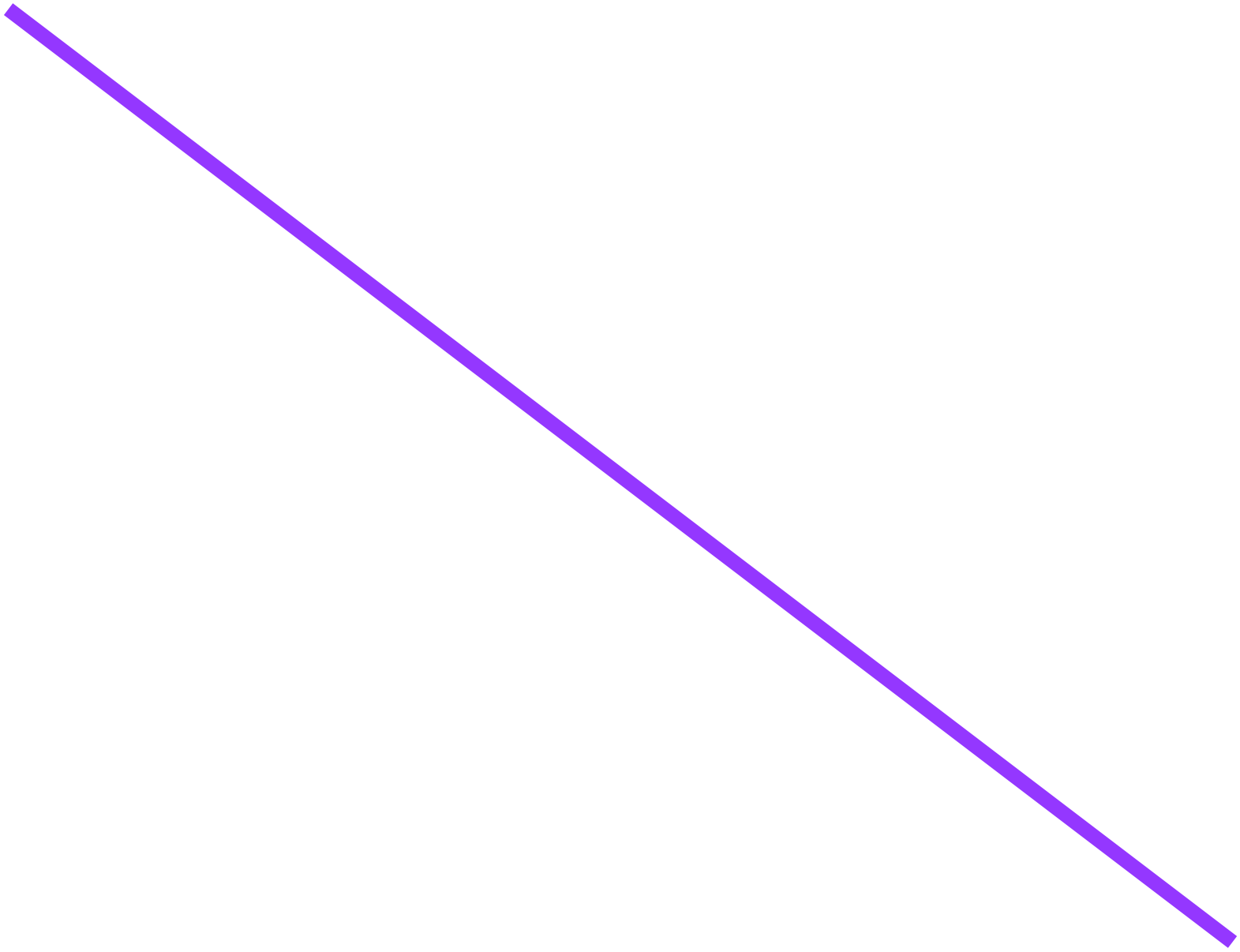
**P = 10**



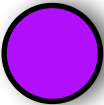




Old Demand



P = 10



New Demand



$$Q^d = 20(0.8)$$

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



$$Q^d = 20$$





NOT Parallel Shift

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

$$Q^d \equiv (20 - 2P)(0.8)$$

Consumers buy 20% less at all prices

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

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

NOT a Parallel Shift

