



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

Quantity Demanded **increases**

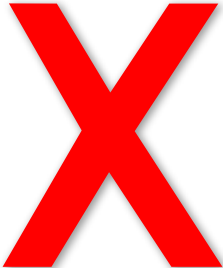
What if at the same time that car prices drop, incomes also drop?

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





**Ceteris  
Paribus**







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