





Price

Consumers buy 20% more at all prices

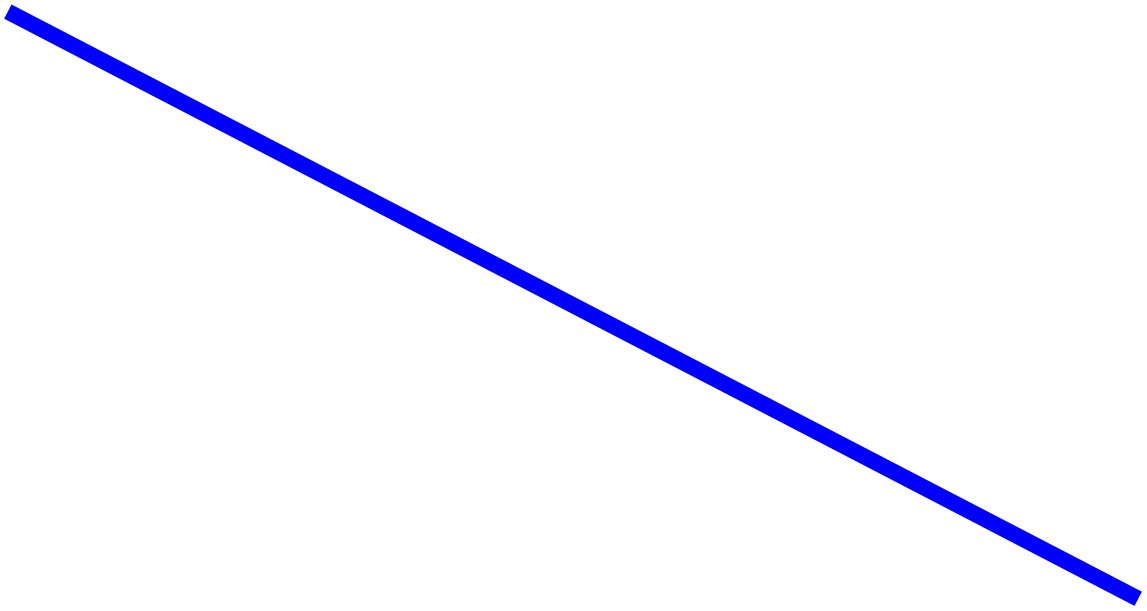
P

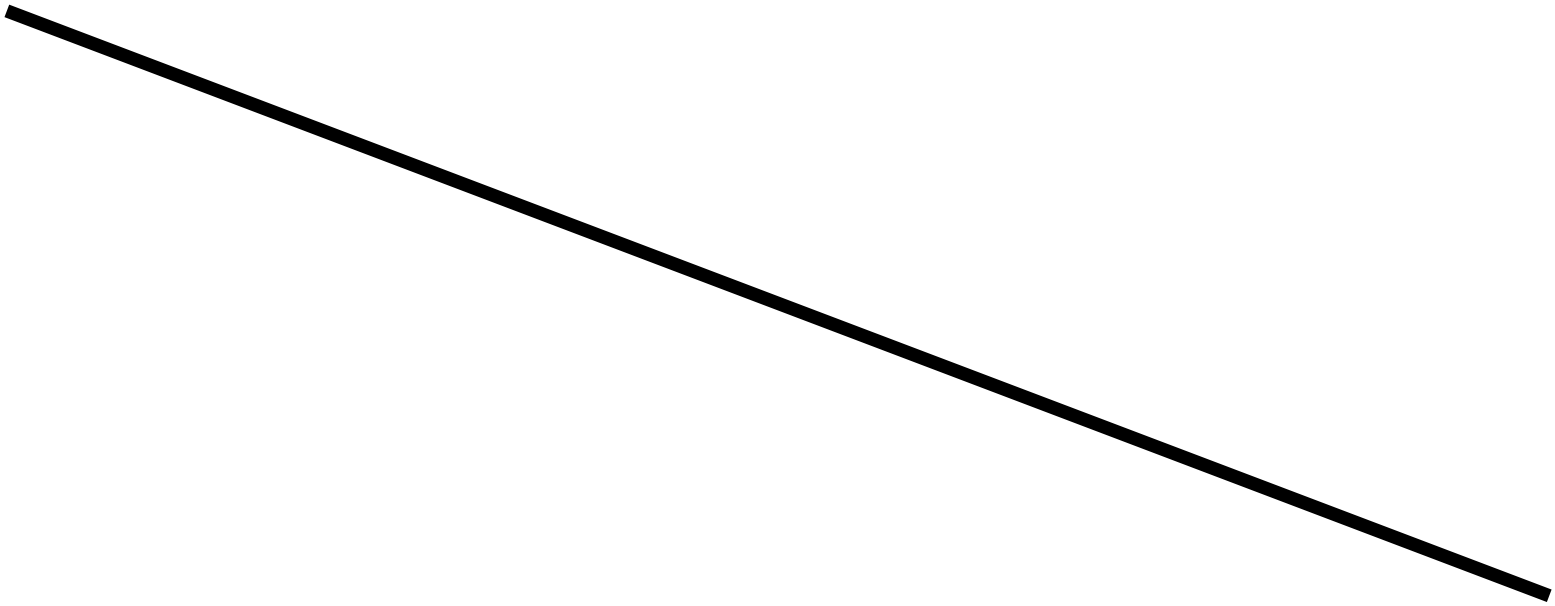
=

1

0







P

=

1

0



New Demand



$$q_d = 24$$

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

If $Q^d = 0$

0

=

24

=

2.4P

2.4P = 24

P

=

24

2

.

4

4

P

=

1

0

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

$$q_d = 20$$



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

$$Q^d = 24 - 2.4P$$



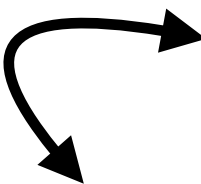
NOT Parallel Shift

$$Q^d = 20(1.2) - 2P(1.2)$$

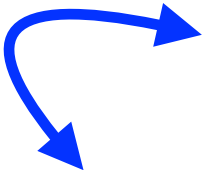
$$Q^d = (20 - 2P)(1.2)$$

NewD = OldD + 20%

Consumers buy 20% more at all prices



Slope = 10/24

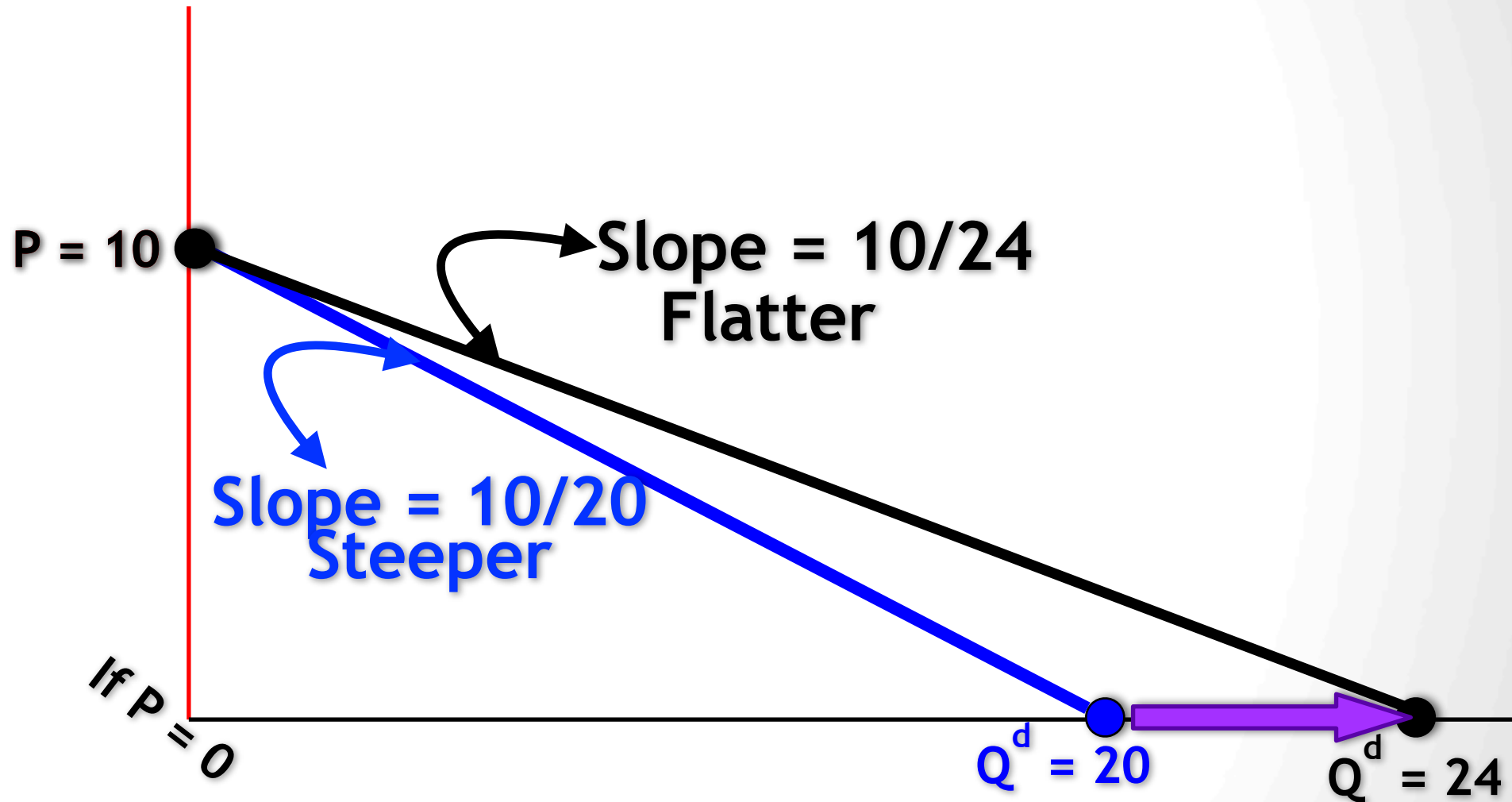


Slope = 10/20

Flatter

Steep(er)

NOT a Parallel Shift



Consumers buy 20% more at all prices

Price

$P = 10$

Demand

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

$Q^d = 20$

