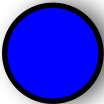


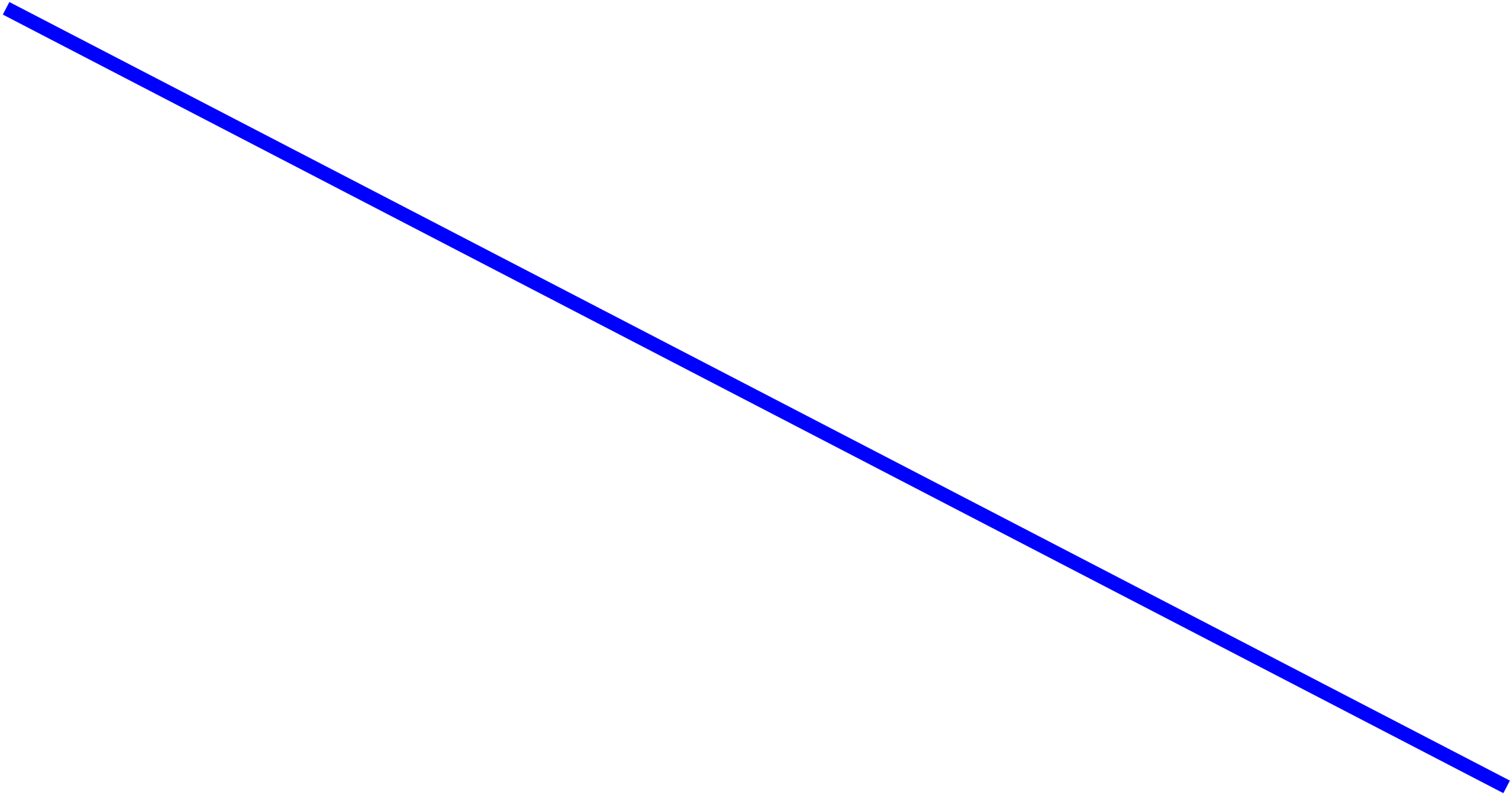


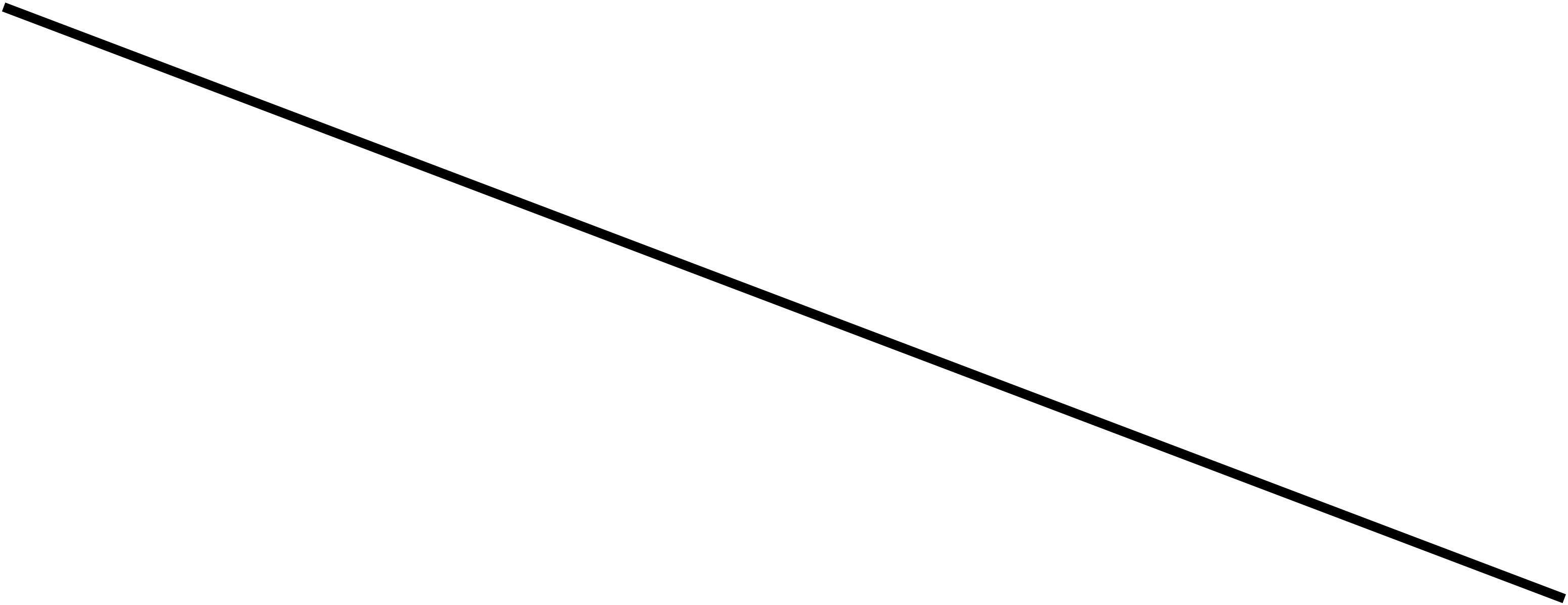
Price

Consumers buy 20% more at all prices

P = 10







P = 10



New Demand



$$Q^d = 24$$

$$\text{New } Q^d = (20 - 2P)(1 + 0.2)$$

If odd = 0

0 = 24 - 2.4P

2.4P = 24

$$P = 24/2.4$$

P = 10

OldQ^d = 20 - 2P

$$Q^d = 20$$



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

NewQ^d = 24-2.4P



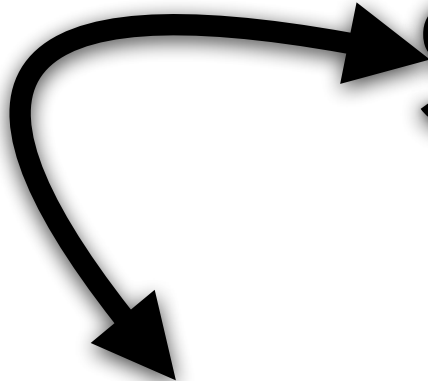
NOT Parallel Shift

$$\text{New } Q^d = 20(1.2) - 2P(1.2)$$

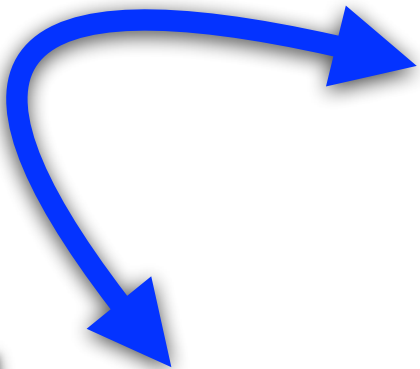
$$\text{New } Q^d = (20 - 2P)(1.2)$$

NewD \equiv OldD + 20%

Consumers buy 20% more at all prices



Slope = $10/24$

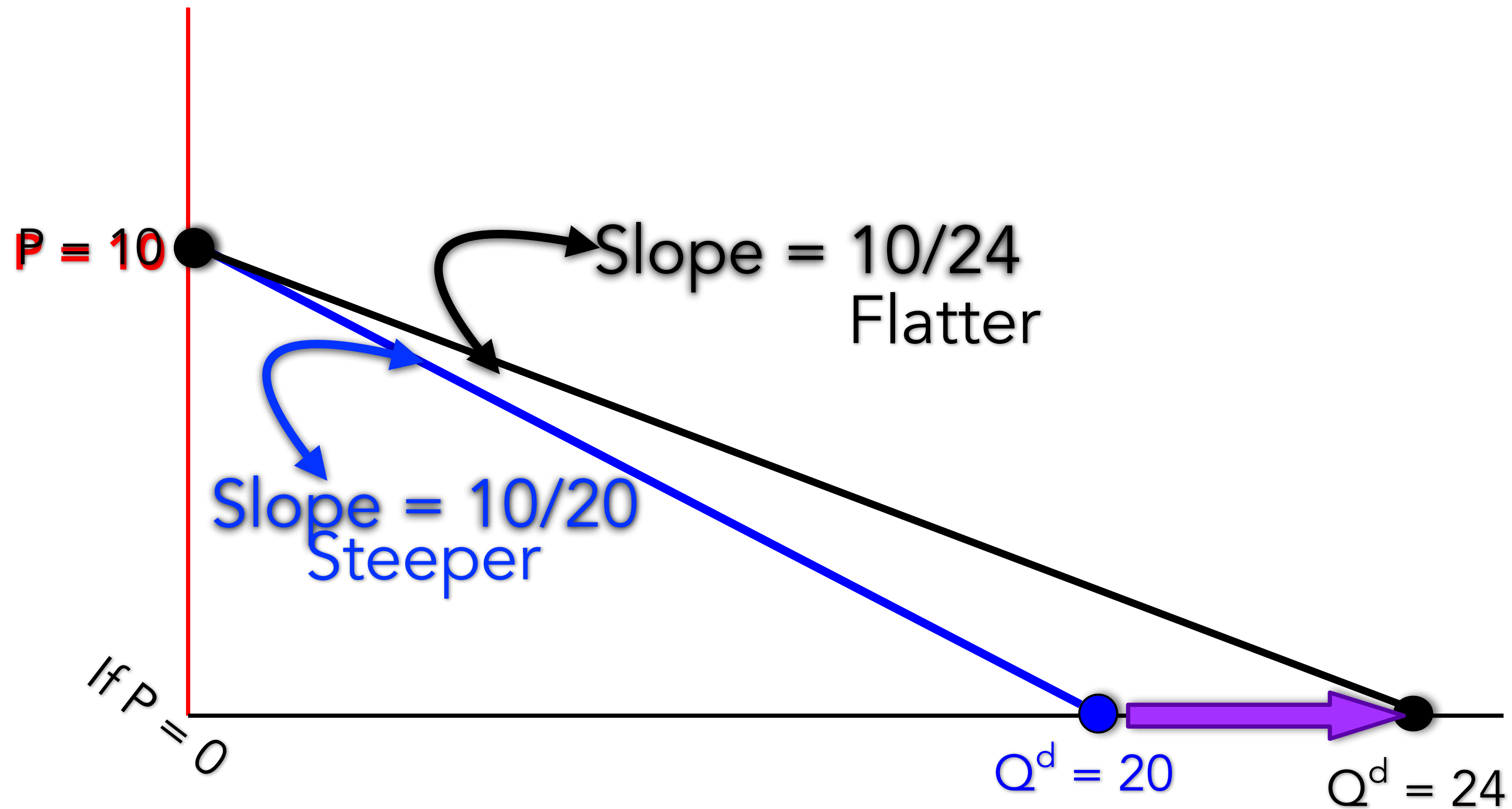


$$\text{Slope} = 10/20$$

Flatter

Steeper

NOT a Parallel Shift



Consumers buy 20% more at all prices

