Supply and Demand

Markets

(Little or no government interference)

Fundamentals of markets: Firms - supply goods & services Sellers and boyers | Consumers

Some together to form | Consumers |

Consumers |

Exchange - market price established |

Supply / demand factors |

Come together to form | Can change market price come together to form e.g. Ebay Markets - price determined by forces of supply and demand buying and selling is voluntary Competitive - many buyors and sellers - no individual has any influence our price - price determined by entire market (price taker) Imperfect - buyer/seller has influence on price Monopoly - when single company supplies entire market for a good/service Demand (inverse relationship) Law of Demand - all things equal, between price and quantity demanded)

amount of a good purchased at a given price (price) (byper 2 + byger 2) = market demand

Demand Schedule - table showing relationship &

Demand curve - graph of relationship & Market demand - Horizontal sum of all individual quantities demanded by buyes in the market at each

Shift in demand - cased by fron-price factors - entire demand every will shift left/ Demand Shifters - Down to as incornet Changes in income - normal goods and inferior a Syord food/clothing bost as income housing invose relations Shifty, cannot food, Shifty, cannot food Thice of related goods - complements or substitute Togords used by the Goods that an invose relationship direct relation e.g. mille - cered e.g. pizza but/ printers + towar compress in too pepsi Thanks in formation about a good 4) Future expectations - consumption today depend on whe think the price is towarrow		demand curve-caused by	
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	5) Number of buyes	. /T / HT / HT . H 1 / A / T	sacretist day

Supply				
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	caud	ced by your	ocice factors	
	enti	re supply wrve	by change in ship & orice factors will shift le	ft/right
Supply	Shifters -		between input cos	ε
1) Cost of	Inputs -	inverse relationship	between input cos	ts and supply
	· re	sources used in	production process	
2) Techn	ology - as	tech T, supply 1	, direct relationship)
3) Taxes		tax 1 supply 1		
or sub	sidy sul	bsidy 1 Supply 1	b	
1) apposite	of fox. govern	most pays seller	to produce good	
7 No. 05	seller,	ellerst supply t		
5) Pc:10. 0	xoutations	6 invierce relations	ip between today!	Supply and
		10000 10000		's expected price
7 Supph	and Dem	and		•
Price d	tesmined bu	n market forces of	supply and dome	al simultaneous
Law- P	ics of any i	good will adjust	to bring quantity su	policed was but
Graph			avantity a	Linanda
	Equilibrium	in point-intersecti	on of supply and	Semand
price	11	price - price 4	but quantify supplied & al quantity (supplied & demoded &	== quantity demo
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