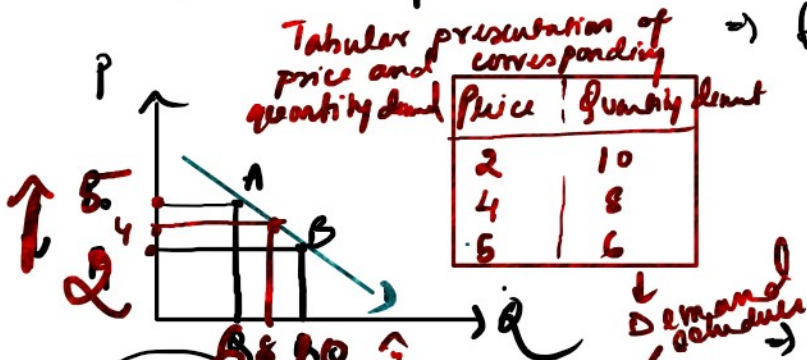


Demand

① Law of demand \rightarrow demand curve



demand curve is downward sloping.

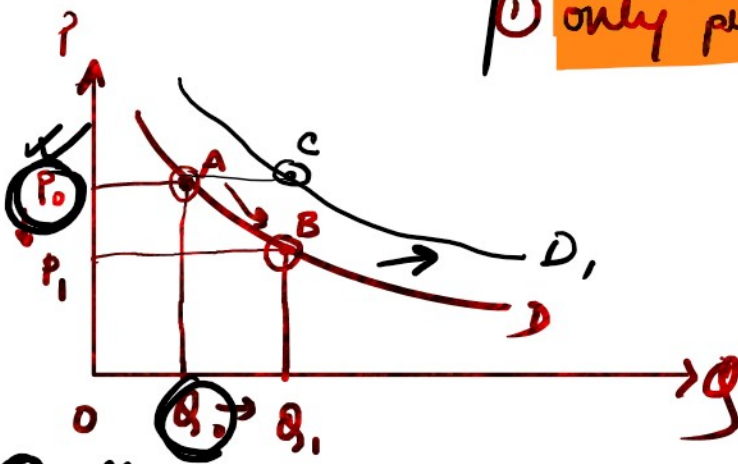
Draw this on graph \rightarrow demand curve

$Q_x^d = f(P_x^{(-)}, P_y^{(+)}, P_z^{(-)}, P_w^{(+)}, E, T, N, \dots)$

P_x \rightarrow +ve \rightarrow P_y const

Movement along same curve and shift in demand.

① only price of same commodity changes



- \rightarrow No shift in demand
- \rightarrow all factors are const
- \rightarrow Movement along same demand curve from point A to B.
- \rightarrow change in QUANTITY demand.

P_x \rightarrow $M_0 = 100 \rightarrow A \rightarrow Q_0$
 $\rightarrow M_1 = 200$

② own price is constant along with other factors but one factor, let's say Money income (M) of a consumer has increased.

\rightarrow at same price P with increase in income, demand increases from A to C.

increases from A to C.

(No longer on
same demand
curve)

∴ Demand curve shifts
to the right.

↳ increase in DEMAND