**CHAPTER 2: DEMAND AND SUPPLY**

**Checklist**

Can you do the following regarding **demand**?

* Explain the demand curve
* Draw the demand curve from info provided in a table
* Define the law of demand
* Derive the demand curve from individual demand curves
* Shift the demand curve to left or right and explain the shift.
* Explain a movement along the demand curve
* Difference between a shift and a movement along the demand curve
* Define price elasticity of demand
* Calculate price elasticity for small and large percentage changes
* Distinguish between elastic and inelastic demand
* Define income elasticity of demand
* Define substitute products
* Define complement products

**CHAPTER 2: DEMAND AND SUPPLY**

**The demand curve**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.19

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**CHAPTER 2: DEMAND AND SUPPLY**

**Individual demands and the demand curve**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.19

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**CHAPTER 2: DEMAND AND SUPPLY**

**The increase/decrease in demand**

 

Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.21

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**CHAPTER 2: DEMAND AND SUPPLY**

**Checklist**

Can you do the following regarding **supply,** **equilibrium price** and **government intervention**?

* Explain the supply curve
* Draw the supply curve from info provided in a table
* Shift the supply curve to left or right and explain the shift.
* Explain a movement along the supply curve
* Difference between a shift and a movement along the supply curve
* Define price elasticity of supply
* Calculate price elasticity for percentage changes
* Define equilibrium price
* Draw a graph from info in a table, illustrating equilibrium price
* Illustrate and explain the effect on equilibrium price if demand changes
* Illustrate and explain the effect on equilibrium price if supply changes
* Explain the effect of a simultaneous change in demand and supply
* Define government intervention
* Define ceiling price
* Define excess demand
* Define rationing out

**CHAPTER 2: DEMAND AND SUPPLY**

**The supply curve**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.34

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**CHAPTER 2: DEMAND AND SUPPLY**

**An increase or decrease in the market supply curve**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.36

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**CHAPTER 2: DEMAND AND SUPPLY**

**Equilibrium price**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.39

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**CHAPTER 2: DEMAND AND SUPPLY**

**Change in demand and equilibrium price**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.41

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**CHAPTER 2: DEMAND AND SUPPLY**

**Change in supply and equilibrium price**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.42

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**CHAPTER 2: DEMAND AND SUPPLY**

**Simultaneous changes in demand and supply on equilibrium price**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.44

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**CHAPTER 2: DEMAND AND SUPPLY**

**Perfectly inelastic demand**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.47

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**CHAPTER 2: DEMAND AND SUPPLY**

**Perfectly elastic demand**



Viljoen, R.P. (2005) Microeconomics. South Africa: UNISA p.48

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