



International university

Market forces of supply and demand

Made by : Darkambaeva A (ITM-131)

Checked by: Zhienbekova A.G

What is a market?

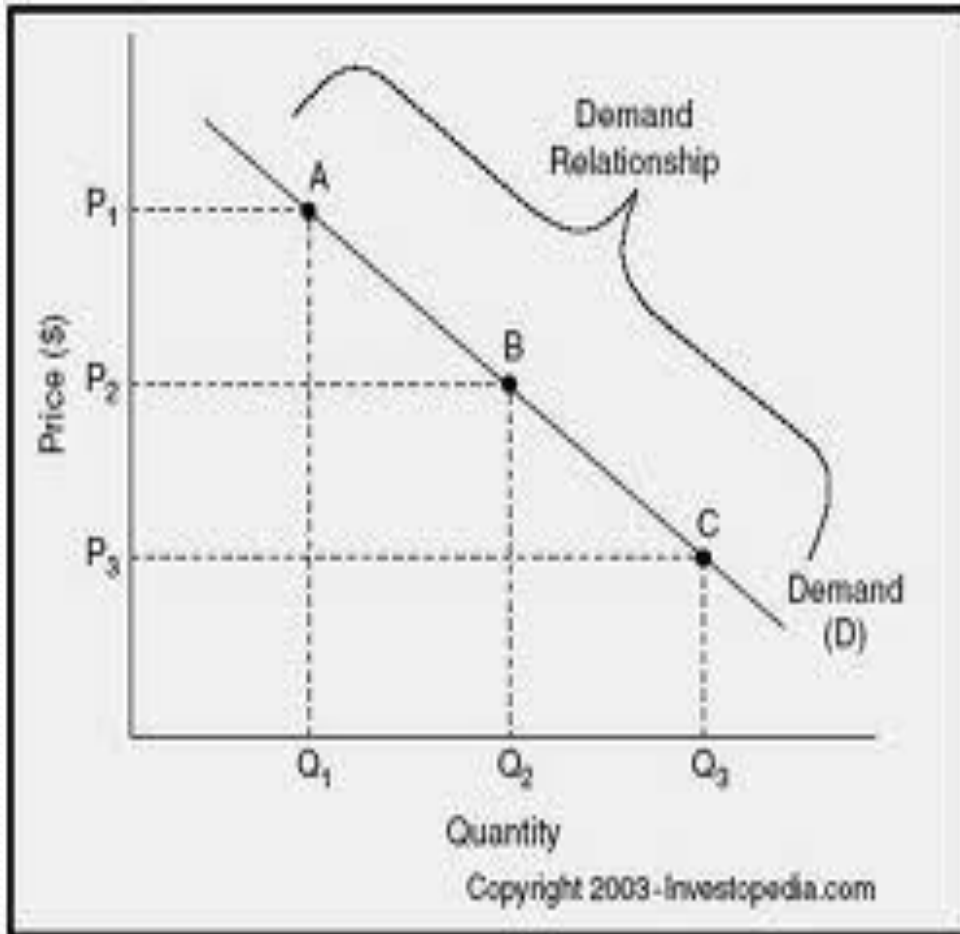


- Market it is a group of buyers and sellers of a particular good or service.

What is a Competitive market?

- Competitive market is a market in which there are many buyers and many sellers so that each has a negligible (незначительный) impact on the market price.

Demand



- **Quantity of demand**

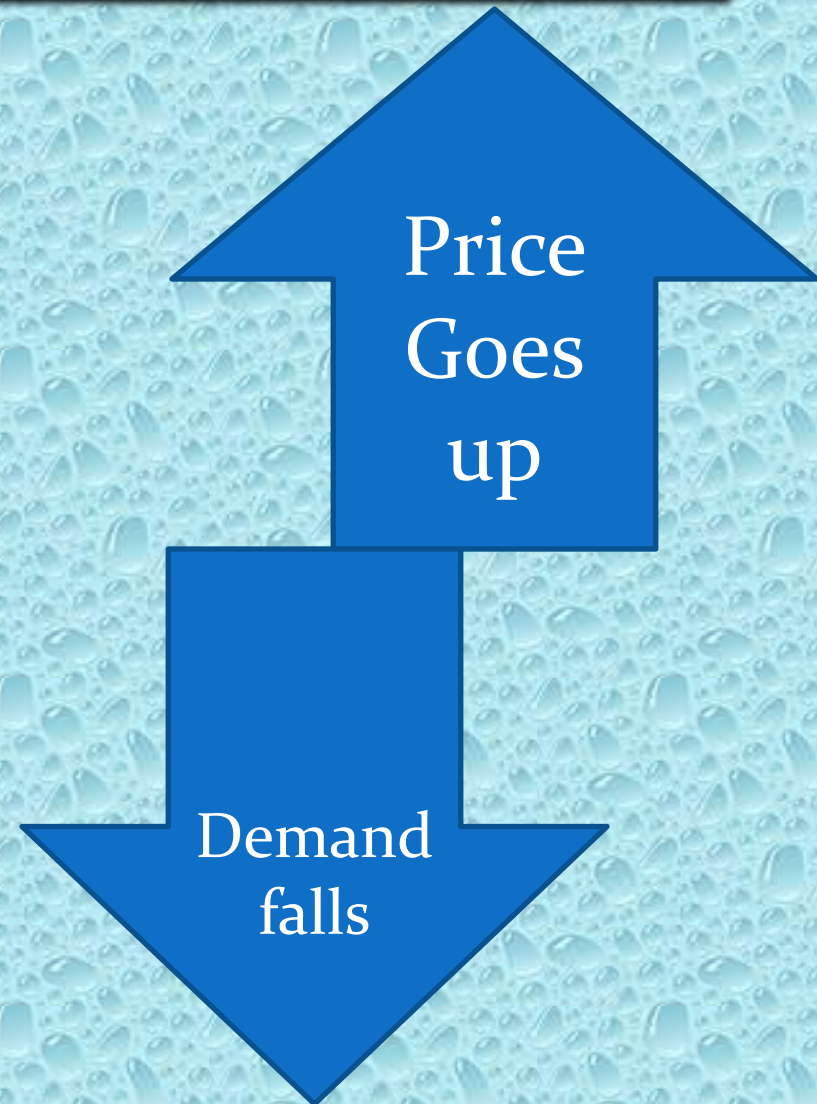
The amount of a good that buyers are willing and able to purchase

- **Demand schedule**

A table that shows the relationships between the price of a good and the quantity demanded.

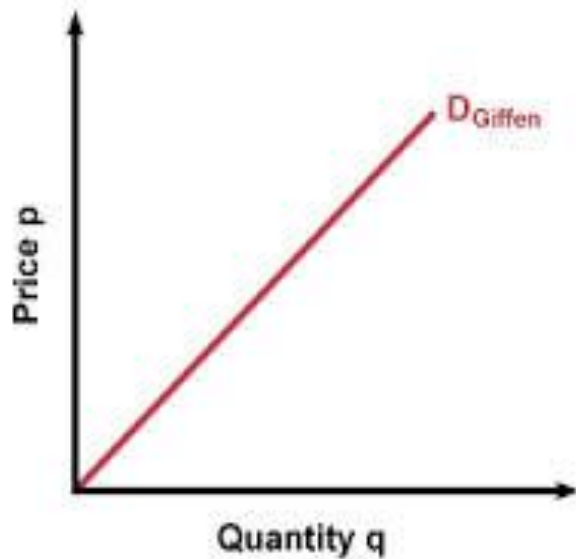
Law of demand

- The claim that , other things equal, the quantity demanded of a good falls when the price of the good rises.

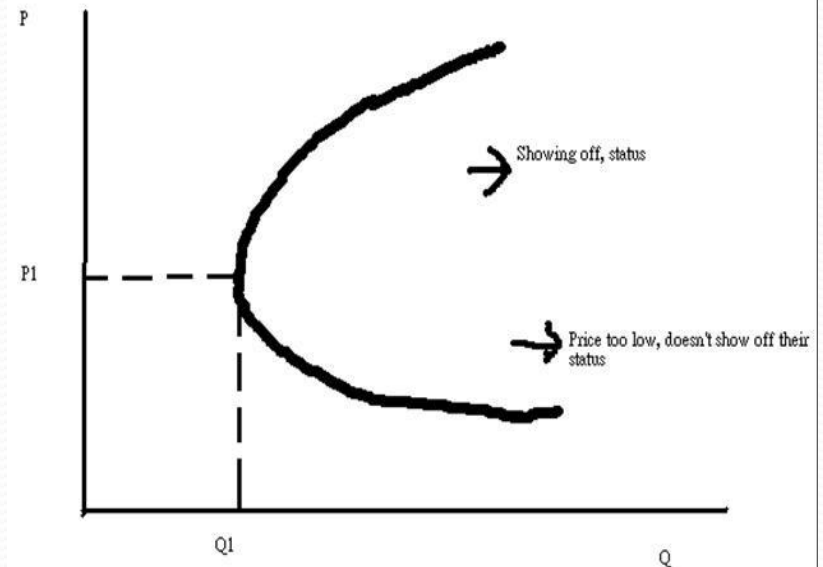


Exceptions to law of demand

- Giffen products



- Veblen products



What affects demand ?

Size of
population

Income

Preferences

Seasonal
changes

Government
policy changes

Complements
and
substitutes

What are complements and substitutes?

Complements

- These are goods which supplement each other.
- For example:



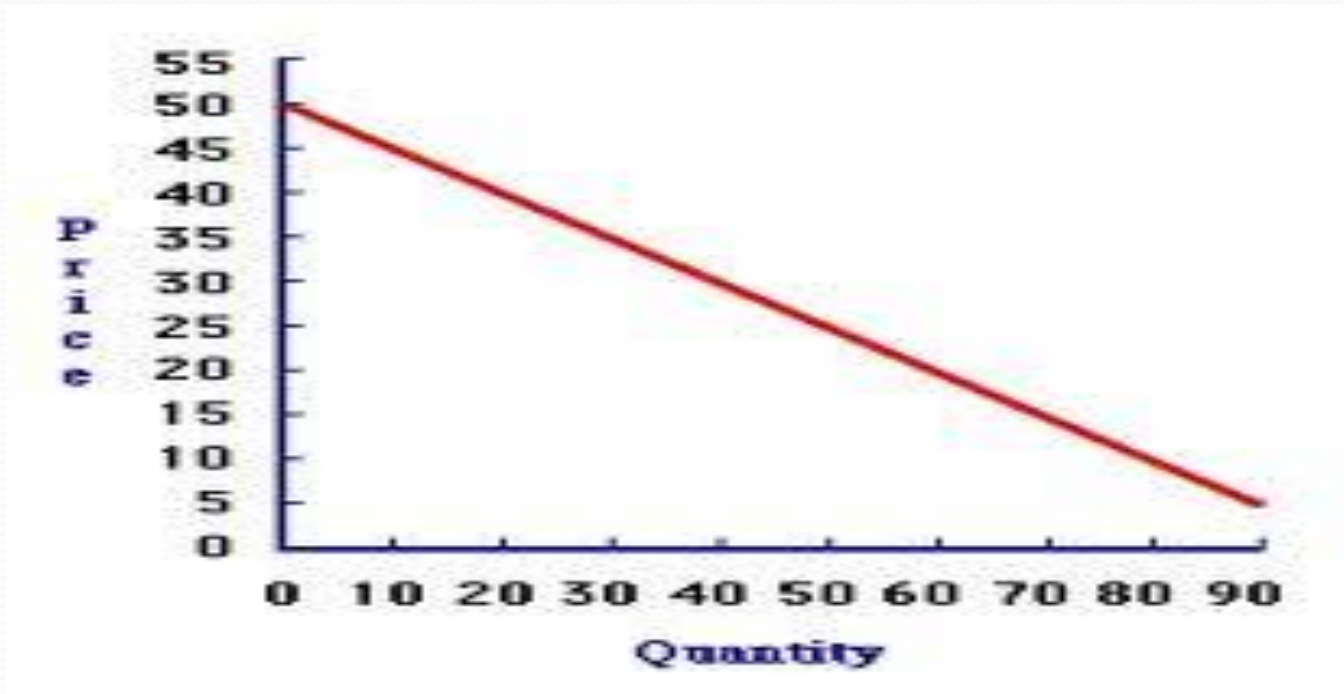
Substitues

- These are products which change each other.
- For example:



Demand curve

- Demand curve it is a graph of the relationship between the price of a good and the quantity demanded.



IMPORTANT!!

Movement along the demand curve is caused by a **CHANGE IN PRICE**.

All other factors apart from **PRICE** lead to a shift in demand.

Supply



Quantity supplied

The amount of a good that sellers are willing and able to sell.

Supply schedule

A table that shows the relationships between the price of a good and quantity supplied.

Law of supply

- The claim that, other things equal, the quantity supplied of a good rises when the price of the good rises.

