



Supply and demand



Magomedov Magomed 1-11



Demand. Law of demand.

Demand – the dependence of the quantities of demand in a given commodity market on the prices at which goods can be offered for sale.

Law of demand– increasing prices leads to a decrease in the amount of demand.





Supply. Law of supply.

Supply – the dependence of the amount of supply on the market of a certain product over a certain period of time on the price levels at which this product can be sold.

Law of supply – an increase in prices leads to an increase in the value of the offer.

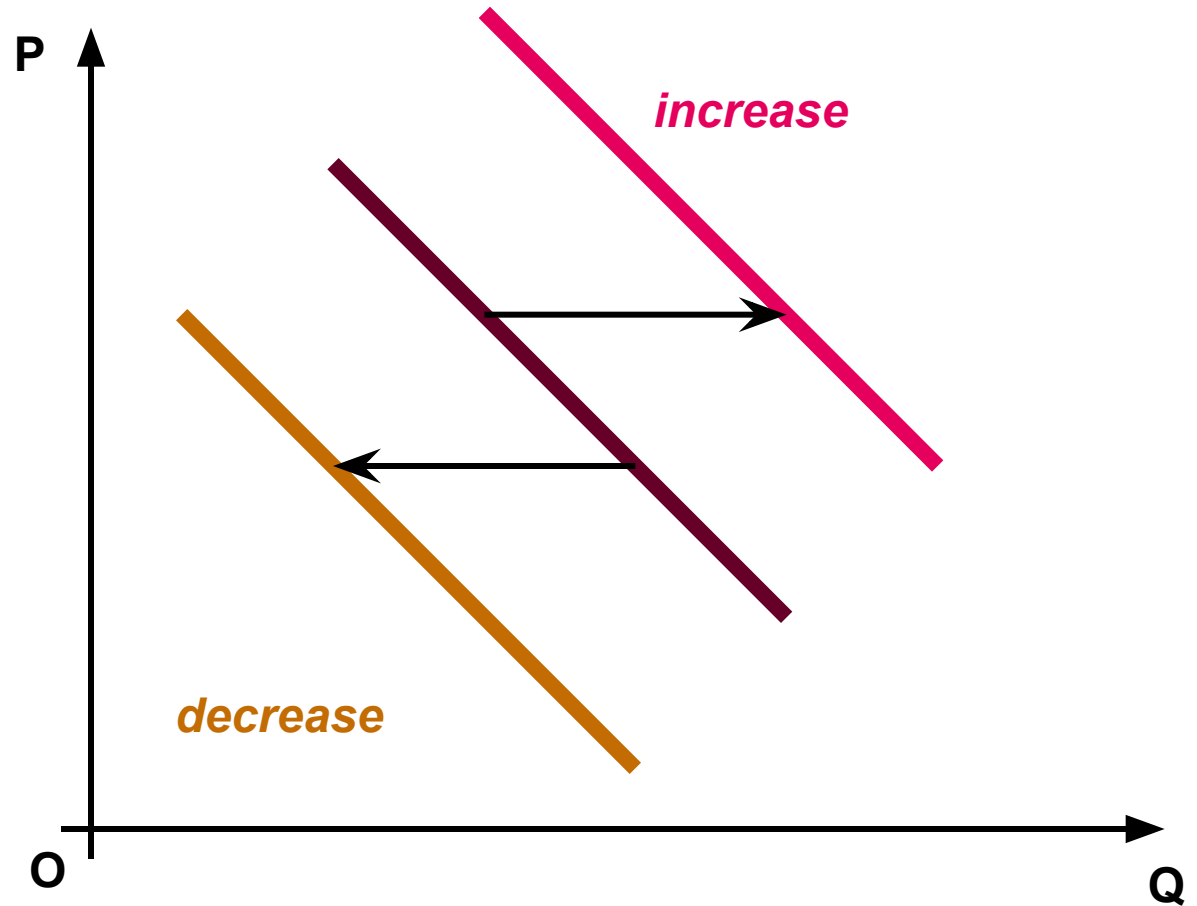


Non-price demand factors:

- the tastes and preferences of consumers
- number of buyers on the market
- prices for interchangeable and complementary products
- changes in consumer income
- waiting for future price and revenue changes



Change in demand



Influence of non-price factors

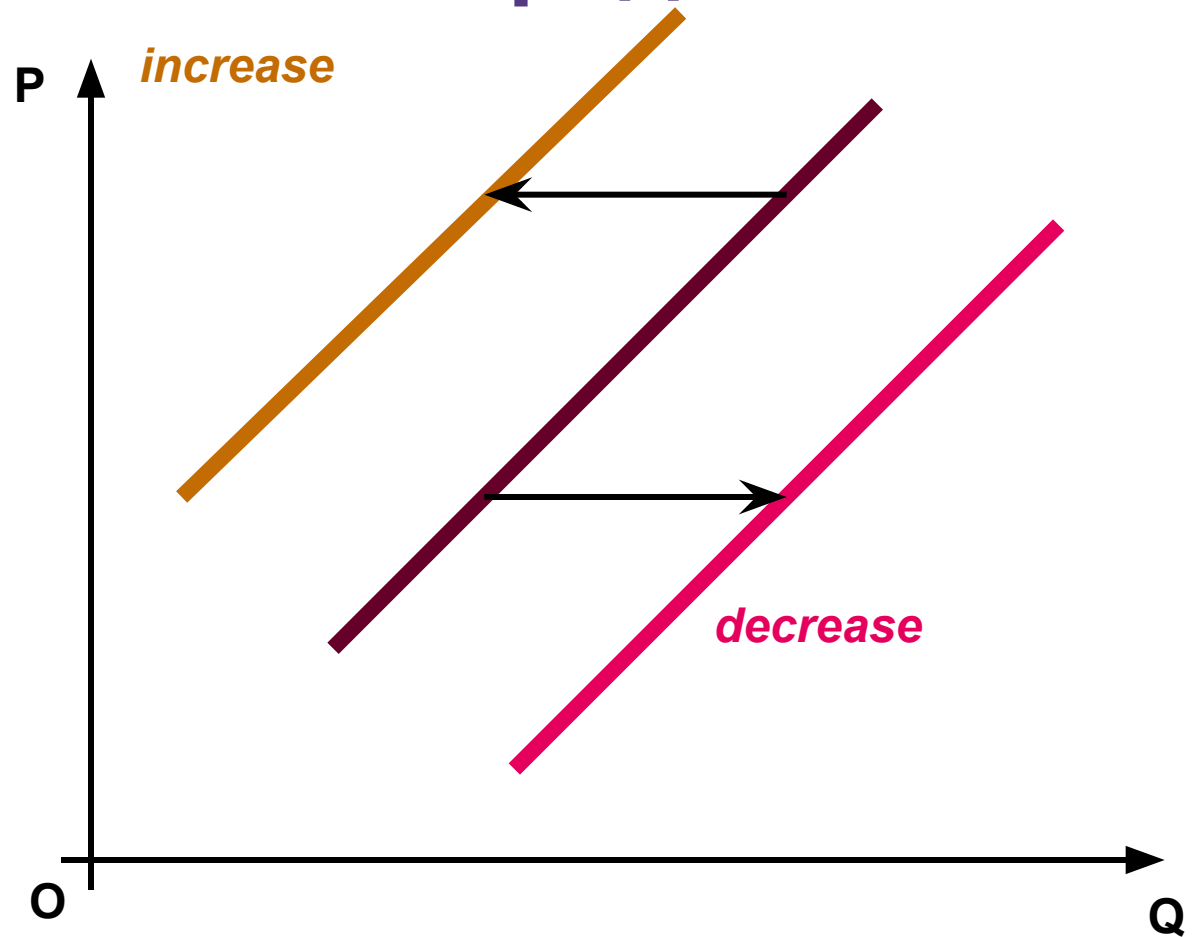




Influence of non-price factors

- prices for production resources
- technology
- state taxes and subsidies
- number of sellers on the market
- prices of alternative products
- expected future price changes for this product

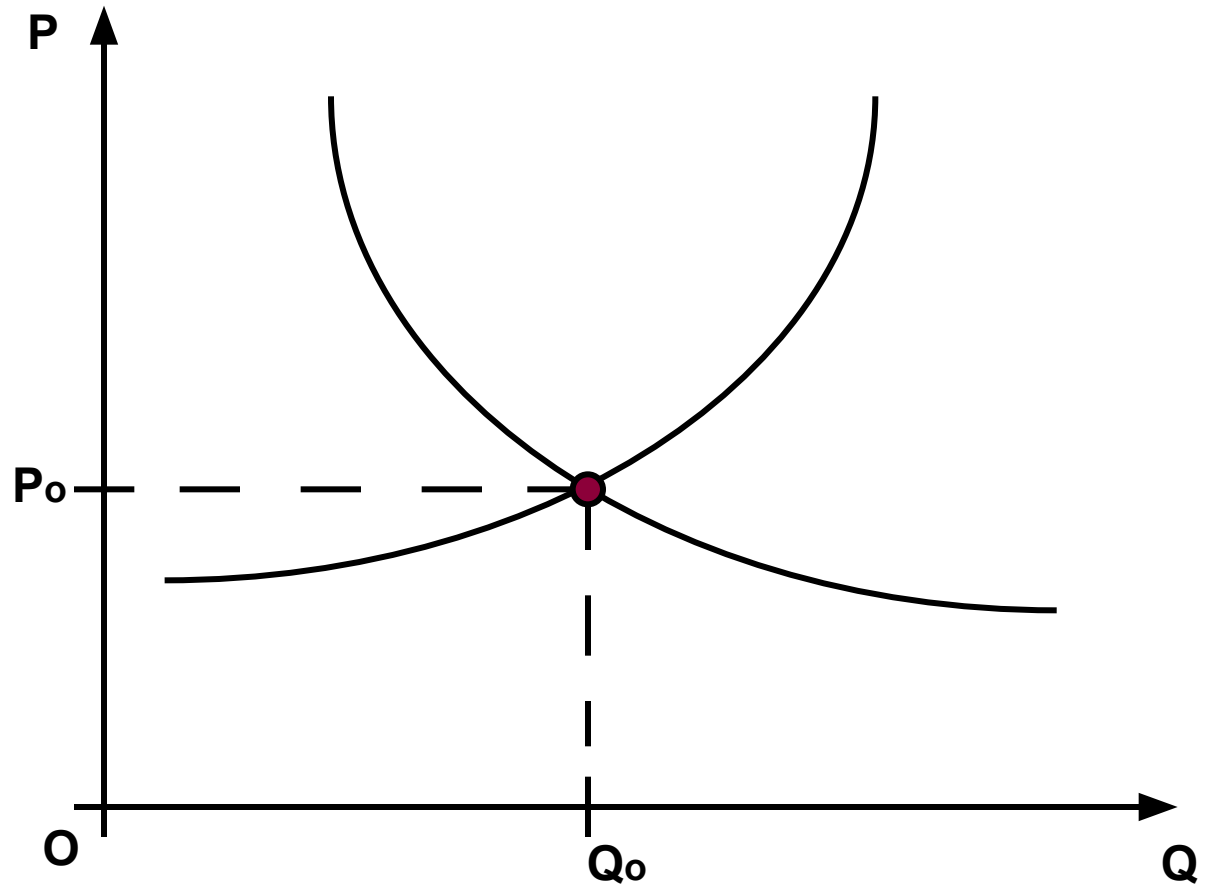
Изменение предложения



Influence of non-price factors



Равновесие на рынке.



P_0 – equilibrium price

Q_0 – equilibrium number





Sample task № 1.




The demand for product A is described by the equation:

$$Q_d = 50 - 6 \cdot P.$$



Supply of goods A:

$$Q_s = 4 \cdot P - 10.$$



Determine the equilibrium price and quantity of the product A.



The demand for product A is described by the equation: $Q_d = 50 - 6 \cdot P$. The offer of the goods is: $Q_s = 4 \cdot P - 10$. Determine the equilibrium price and quantity of product A.




At equilibrium:


$$Q_d = Q_s$$

$$50 - 6 \cdot P = 4 \cdot P - 10$$

$$60 = 10 \cdot P$$

$$P_0 = 6$$


$$Q_0 = 4 \cdot 6 - 10 = 14$$



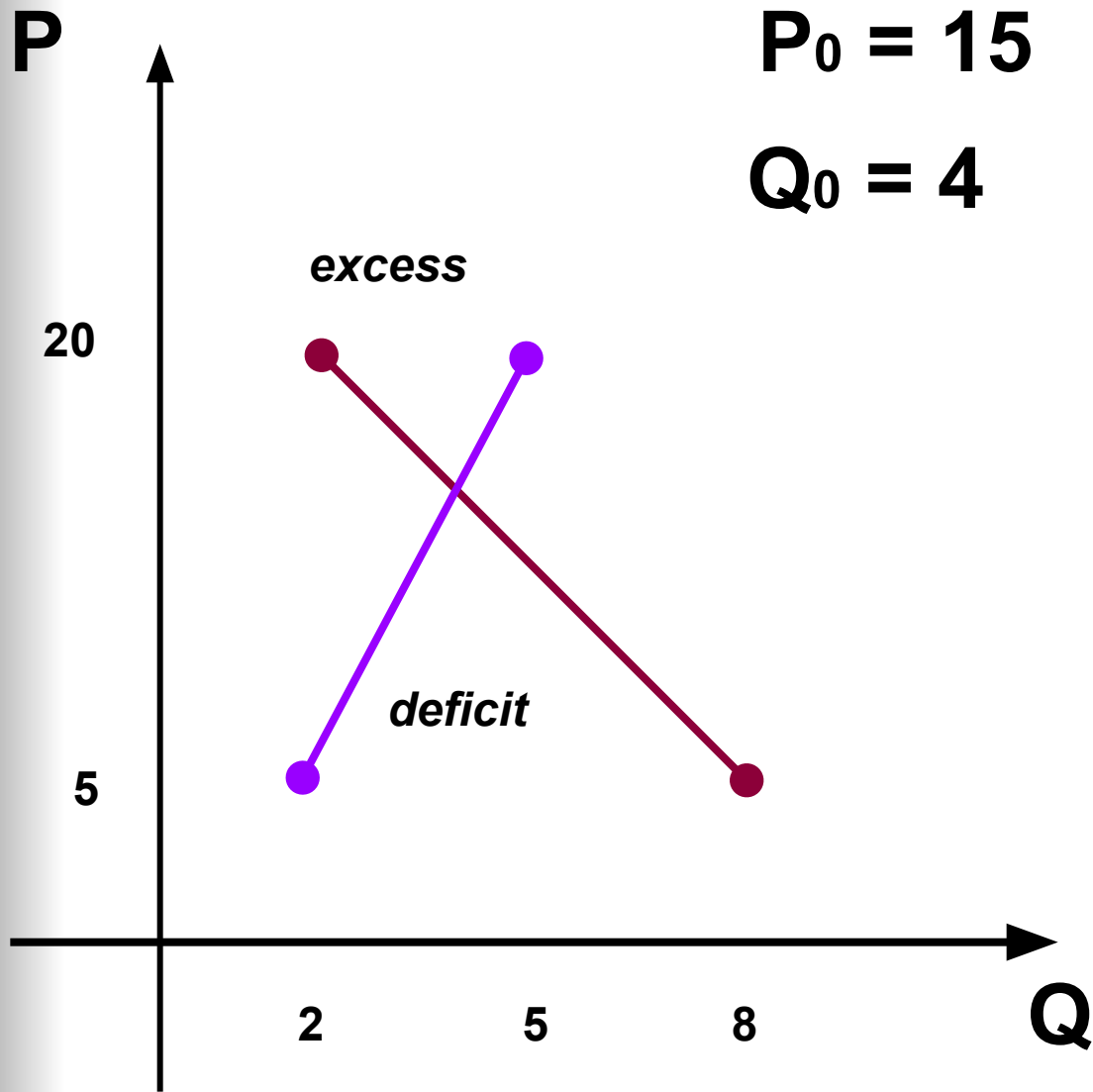
Answer: $P_0 = 6$, $Q_0 = 14$.

Задача – образец № 2.

Use the available table data to build supply and demand curves.

Determine the equilibrium price and quantity using the graphical method.

P, rub.	5	20
Qd, demand	8	2
Qs, supply	2	5



Выводы:

Возможные ситуации на рынке:

1. Balance $Q_d = Q_s$
2. Deficit $Q_d > Q_s$
3. Excess $Q_d < Q_s$

