Factors that cause shift:

**Demand: Consumer Supply: Producer**

1. Income 1. Resource Prices
2. Tastes and Preferences 2. Technology
3. Related Goods 3. Number of Sellers
4. # Buyers in Market 4. Expectations of Future Prices
5. Buyer’s Expectations 5. Taxes and Subsidies

Price

Quantity Demanded

Price

S

Quantity Demanded

D

Price

S

Equilibrium Demanded

Q

P

Quantity Demanded

D

Positive Shift in Demand: Positive Shift in Supply:

Negative Shift in Demand: Negative Shift in Supply:

|  |  |
| --- | --- |
| **Supply and Demand Terms** | |
| Market | Includes the customers and locations that a business wants to serve. |
| Supply | How much of a good or service a producer is willing and able to produce at different prices. |
| Demand | An individual’s need or desire for a good or service at a given price. |
| Law of Demand | As prices fall for a particular good or service, the demand for that item will increase and vice-versa. |
| Law of Supply | As the price of a particular good or service increases, the supply for that item will also be increased and vice-versa. |
| Price | The amount at which a good or service will be sold in a market. |