Demand
Quantity demanded (definition)

Law of demand

Demand curve
• What does it look like?
• For which variables does it demonstrate a relationship?
• Why does it slope downward?
• What is the difference between a movement along the curve and a shift in the curve?

Determinants of demand (explain how changes in the following affect the demand curve):
• Income
  Normal good
  Inferior good
• Prices of related goods
  Substitutes
  Complements
• Tastes
• Other factors (only need to list)
• Expectations (We will go over in class)
Supply
Quantity supplied (definition):

Law of supply

Supply curve:
• What does it look like?

• For which variables does it demonstrate a relationship?

• Why does it slope upward?

• What is the difference between a movement along the curve and a shift in the curve?

Determinants of supply (explain how changes in the following affect the supply curve):
• Costs of factors of production

• Price of other products the producer could make instead

• The state of technology

• Government intervention
  Indirect taxes

  Subsidies

• Expectations
Supply and demand together
Illustrate and explain equilibrium price and quantity (a.k.a. market clearing price and quantity)

To be explained in class: Shifts in supply and/or demand curve together (show how shift in one curve affects movement along the other):

- What happens to the market clearing price and quantity when the demand curve shifts rightward?
- What happens to the market clearing price and quantity when the demand curve shifts leftward?
- What happens to the market clearing price and quantity when the supply curve shifts rightward?
- What happens to the market clearing price and quantity when the supply curve shifts leftward?

Price controls
What happens when the government implements a maximum price (price ceiling)? Explain and illustrate using a diagram.

Definition of shortage:
What happens when the government implements a minimum price (price floor)? Explain and illustrate using a diagram.

Definition of surplus:

What is a commodity agreement? How does it seek to affect prices?

Price support/buffer stock schemes

**Market Structures (To be explained in class)**
Perfect competition

Monopoly

Monopolistic competition

Oligopoly

Additional notes: