

● ***There are 6 Factors affecting demand***

1. Number of consumers: how many _____ people live in a certain _____.
2. Consumer Disposable income: _____ left over after _____ are purchased.
More \$\$ to spend on _____ increases demand for them.
3. Consumer tastes: _____ of a product
4. Consumer expectations: what consumers _____ to happen in the _____
5. Substitutes: competing _____ that can be _____ when the price of one becomes too high. *Ex: Honda & Toyota*
6. Complementary goods: Products that are used _____.

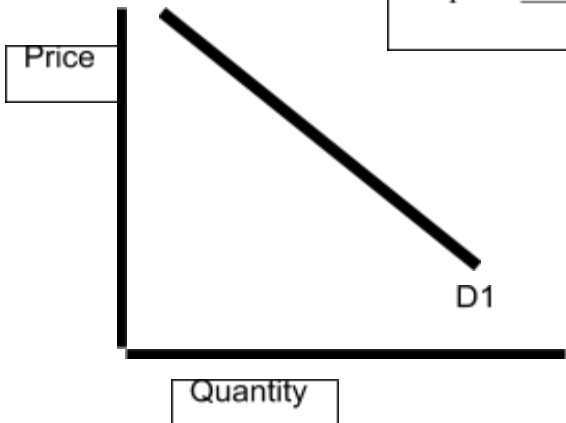
PRACTICE. CREATE YOUR OWN FOR 7

Scenario	Demand factor	Increase or decrease?	Graph
1. Because of a booming economy there was a rise in disposable incomes	CONSUMER DISPOSABLE INCOME	INCREASE	
2. The price of coffee is rising causing people to want to drink more tea instead, b/c tea is cheaper			
3. Consumers expect that a new more fuel efficient SUV will come out and so they stop buying normal SUVs			
4. The number of consumers in Franklin County grew when an apartment complex was built			
5. The popularity of beanie babies has declined as consumers decide to purchase higher technology toys			
6. The popularity of iPods has led to consumer demand for iPod speakers and iTrip			
7.			

NOTES

→ The Demand Curve:

As price _____, quantity demanded _____



Demand Schedule
Demand: measures how much people are going to buy at the various prices.
EX: Pizza Demand Schedule.

- How many pizzas are people willing to buy at \$1.50?

- As the price of pizza increased what happened to demand? _____

Pizza Demand Schedule	
Price	Quantity
\$0.50	8
\$1.00	7
\$1.50	5
\$2.00	2
\$2.50	1

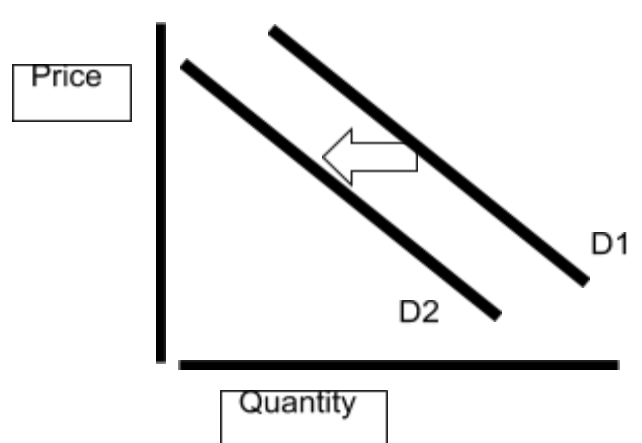
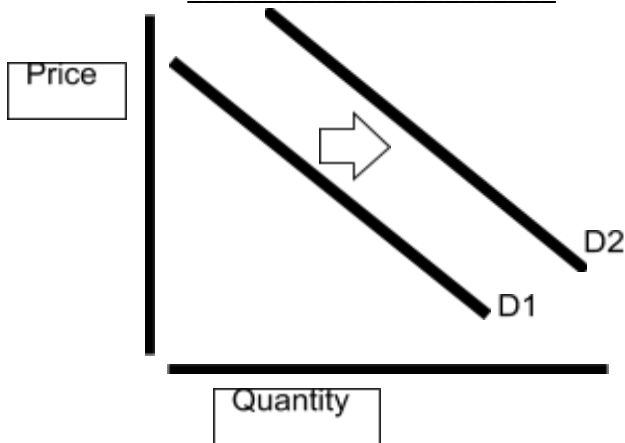
→ **The Law of Demand:**

- As price goes _____ quantity goes _____
- As price goes _____ quantity goes _____
- People buy _____ goods/services at higher prices than they do at lower prices.

→ **Illustrating a demand shift:**

Demand Increase = _____
 Decrease = _____

Demand



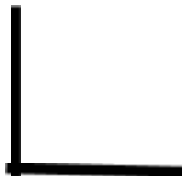
→ Why does demand shift?

-- Demand can _____ (move _____) and _____ (move _____) depending on certain conditions in the market.

HW: Demand Shifts

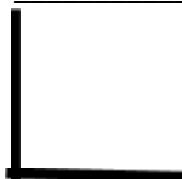
1. Illustrate a demand increase.
 2. Illustrate a demand decrease.
 3. Give an example of substitute goods: _____
 4. Give an example of complementary goods: _____
- For 5-10 fill in “**increase**” or “**decrease**” on the line, then draw the demand shift.
5. If Franklin County experienced a sudden population growth, demand in Franklin county would _____.

a. Draw the shift in demand.



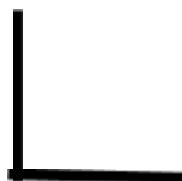
6. If people began to buy Honda Civics instead of Toyota Corolla's because the price of the Toyota went up, then the demand for Honda would _____.

a. Draw the shift in demand for Honda.



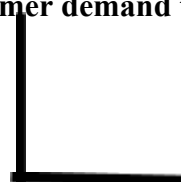
7. When Apple came out with a new iPod and consumers bought large numbers. There was also an _____ in the demand for iPod Speakers.

a. Draw the shift in demand for iPod Speakers



8. The US government had to raise taxes on Americans to pay for its large debt. This caused the average American's disposable income to shrink and consumer demand to _____.

a. Draw the shift in demand in America.



9. Consumers found out there was going to be a new touch screen blackberry cell phone coming out. Many people decided to wait for it to be available rather than buy the old blackberry. This led to a(n) _____ demand for the old blackberry

a. Draw the shift in demand for the old blackberry.



10. With the popularity of computer card games, there has been a _____ in demand for actual playing cards as people prefer to play cards on their computers.

a. Draw the shift in demand for playing cards.

