

Shifts in demand and in supply (all possibilities)

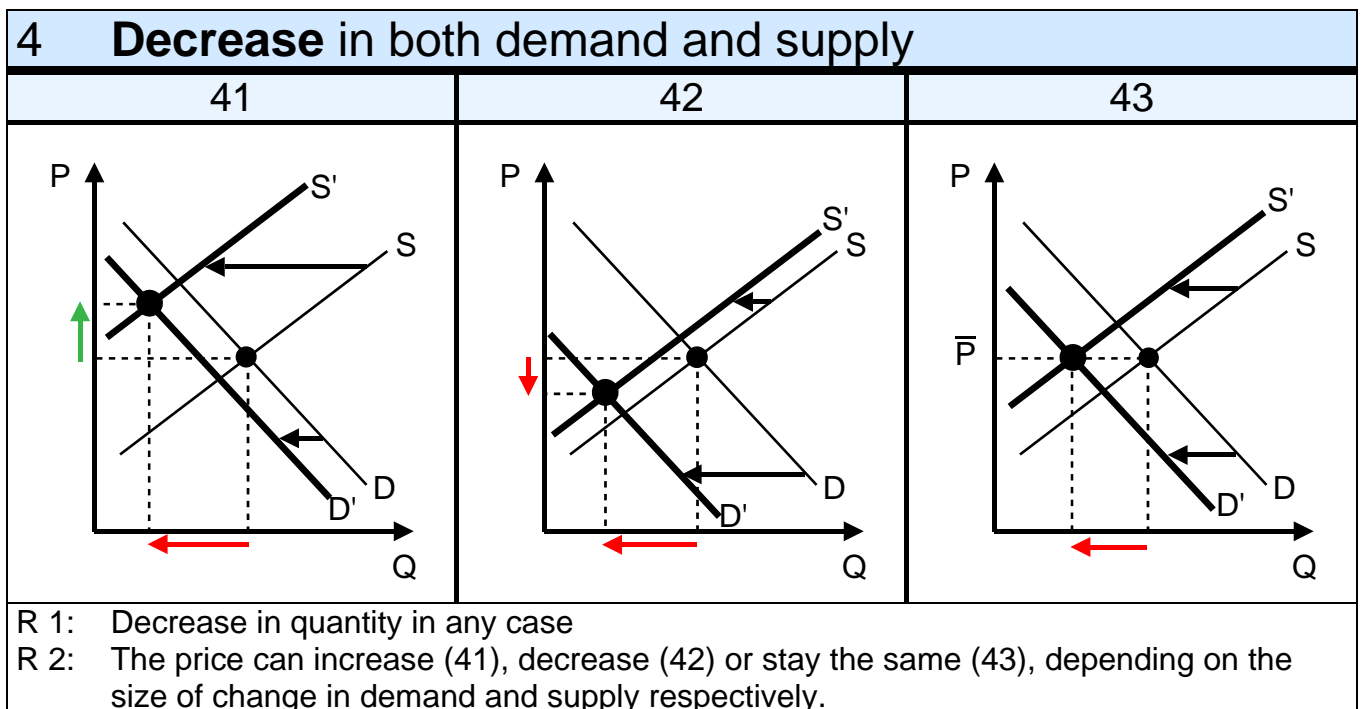
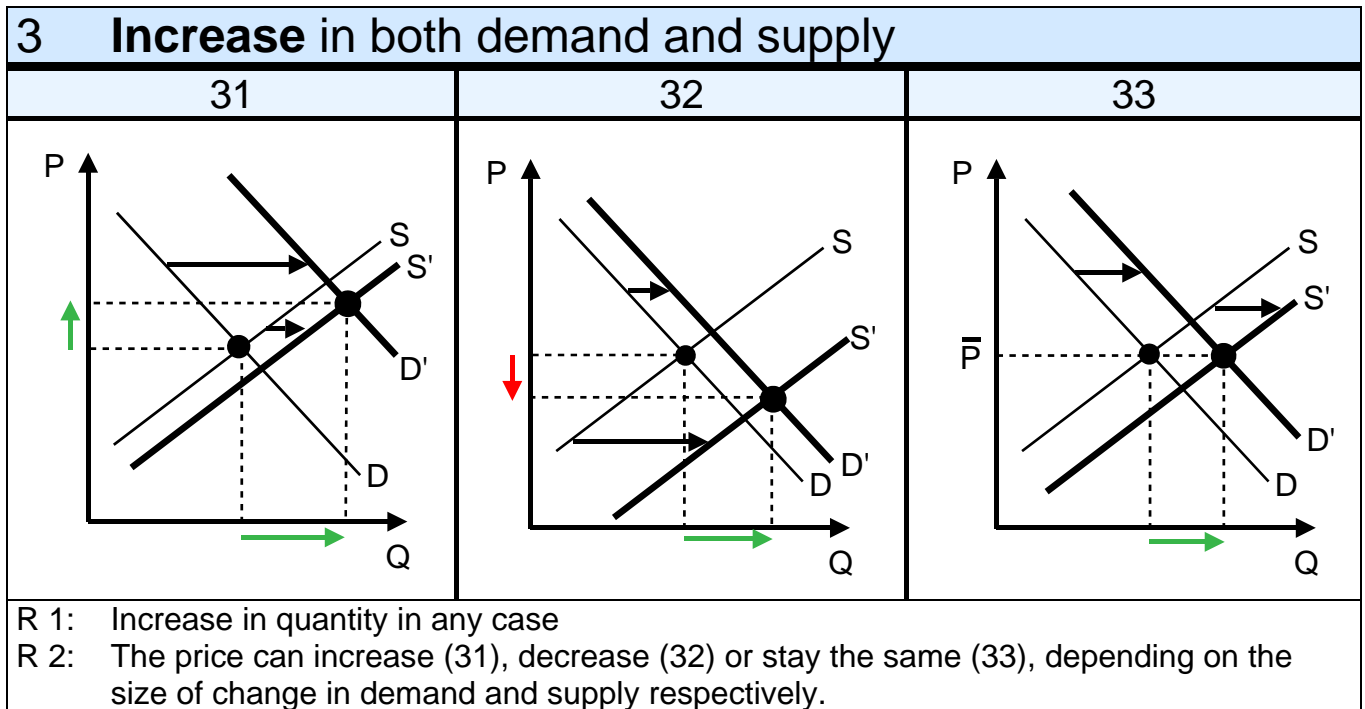
Abbreviations: P = Price
 D = Demand
 R = Result

Q = Quantity
 S = Supply

1 Changes in demand		
11 Factors	12 Increase in D	13 Decrease in D
<p>Which factors bring about changes in demand, that is a shift of the demand curve?</p> <ul style="list-style-type: none"> • Prices of related goods • Income • Tastes • Number of buyers <p>NEVER: Changes in the price of the good in question. If that happens, there is a movement along the D curve.</p>		
	R: Increase in P and in Q	R: Decrease in P and in Q

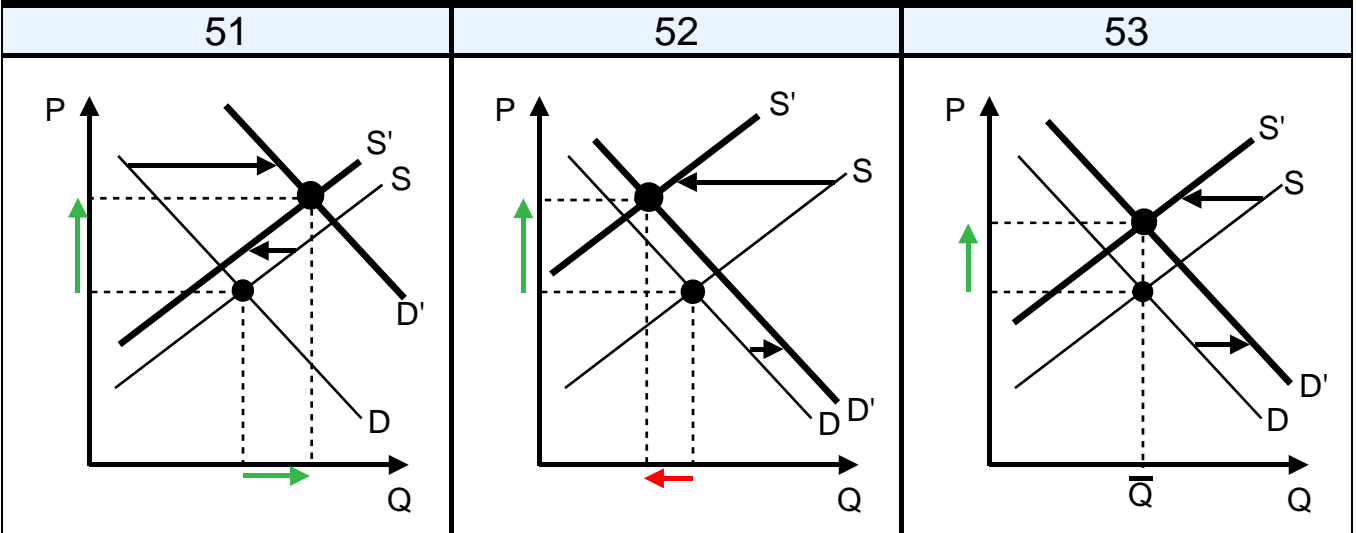
2 Changes in supply		
21 Factors	22 Increase in S	23 Decrease in S
<p>Which factors bring about changes in supply, that is a shift of the supply curve?</p> <ul style="list-style-type: none"> • Costs • Productivity/technology • Taxes and subsidies • Number of sellers <p>NEVER: Changes in the price of the good in question. If that happens, there is a movement along the S curve.</p>		
	R: Decrease in P, increase in Q	R: Increase in P, decrease in Q

On this page there are changes in **both demand and supply** simultaneously!



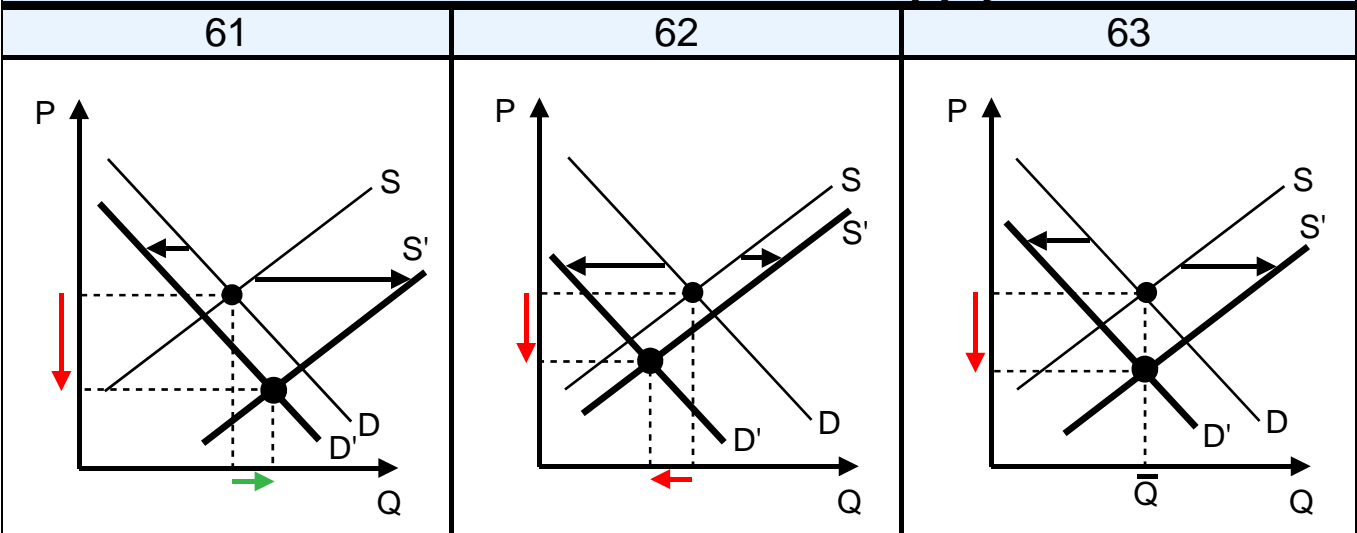
On this page there are changes in **both demand and supply** simultaneously!

5 Increase in demand, decrease in supply



R 1: Increase in price in any case
 R 2: The quantity can increase (51), decrease (52) or stay the same (53), depending on the size of change in demand and supply respectively.

6 Decrease in demand, increase in supply



R 1: Decrease in price in any case
 R 2: The quantity can increase (61), decrease (62) or stay the same (63), depending on the size of change in demand and supply respectively.

Similar figures in: Parkin Michael, Microeconomics, 9th ed., Global Edition, Pearson, p. 74

7 Summary

↑ = Increase

↓ = Decrease

→ = No change

Case*	Result (price)	Result (quantity)
12: D↑	P↑	Q↑
13: D↓	P↓	Q↓
22: S↑	P↓	Q↑
23: S↓	P↑	Q↓
3: D↑, S↑	P↑ or P↓ or P→	Q↑
4: D↓, S↓	P↑ or P↓ or P→	Q↓
5: D↑, S↓	P↑	Q↑ or Q↓ or Q→
6: D↓, S↑	P↓	Q↑ or Q↓ or Q→

* The numbers refer to the numbers on the pages 1-3.