

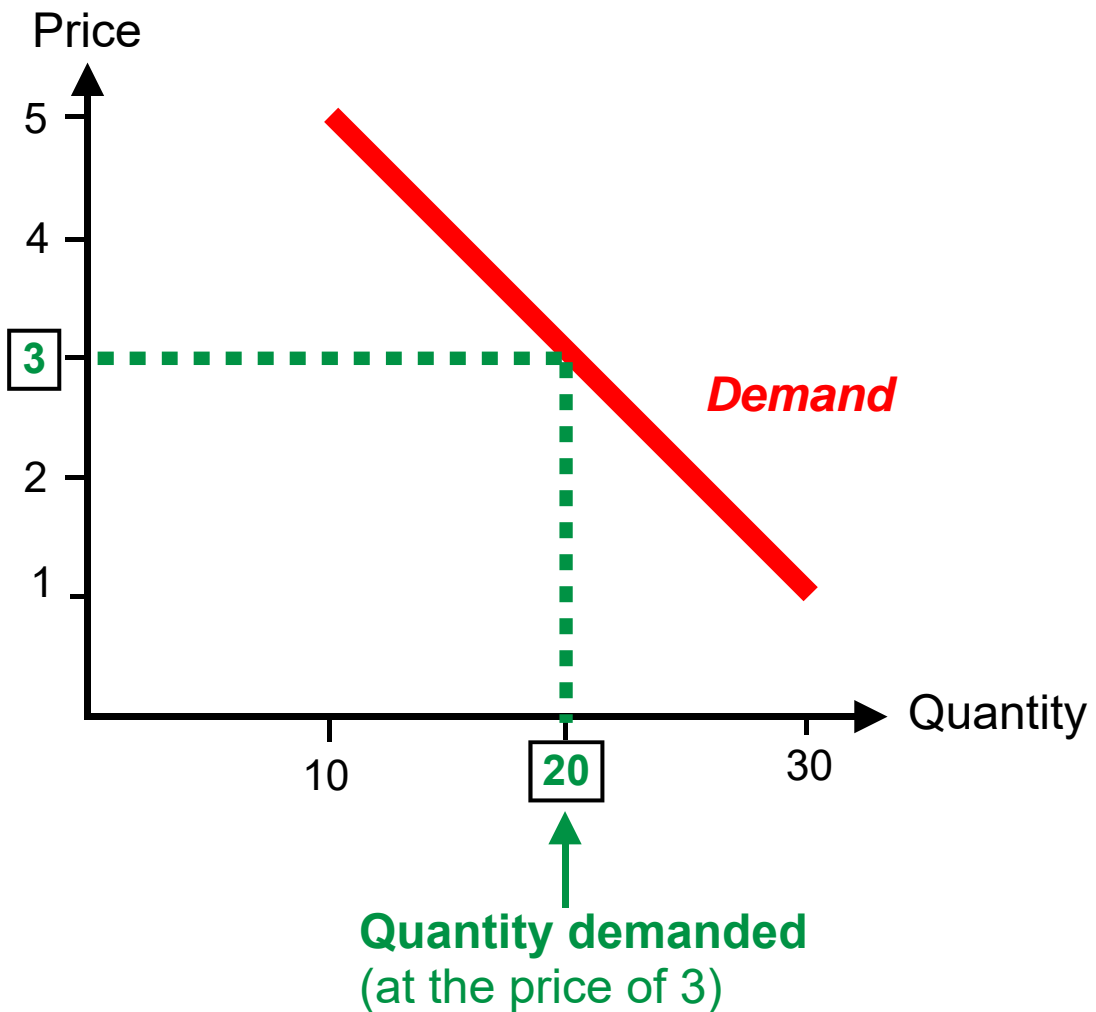
Demand and quantity demanded 1

1 Example of a market

<u>Price</u>	<u><i>Demand</i></u>
1	30
2	25
3	20
4	15
5	10

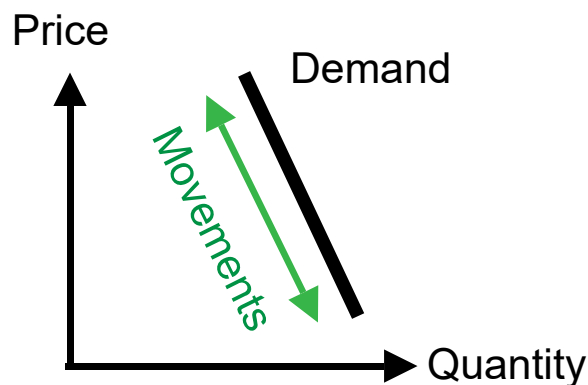
quantity demanded
at the price of 3

and the graph:



2 Additional comments

- 'Demand' refers to the entire demand curve, while 'quantity demanded' represents a certain point on the demand curve (e.g. at the price x , the quantity demanded is y).
- The distinction between 'demand' and 'quantity demanded' is important for the following reasons:
 - Changes in the **price** of a good increases or lowers the **quantity demanded** for that good. It is a movement along the constant demand curve.



- Changes in **other variables**, such as income, the prices of other goods, preferences and the number of buyers, bring about a new position of the demand curve. This curve shifts to the right or to the left.

