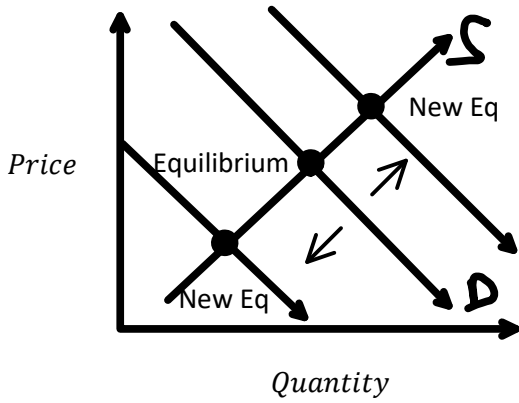


E101 - 2.2 - Equilibrium

Change in Price - Movement Along the Curve

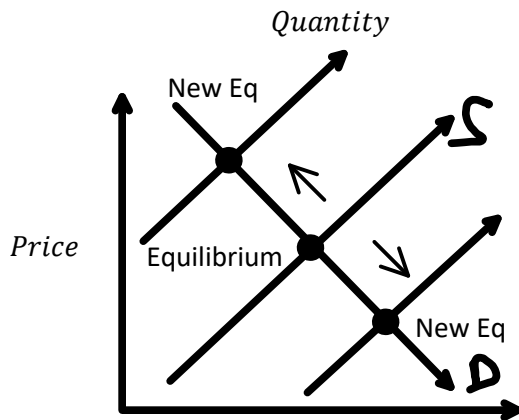


- Shift In Demand
- Population
 - Income
 - Preferences
 - Substitutes
 - Compliments
 - Expectations

Change in Demand - A change in the quantities demanded at every price, caused by a change in the determinants of demand.

Causes a change in quantity supplied.

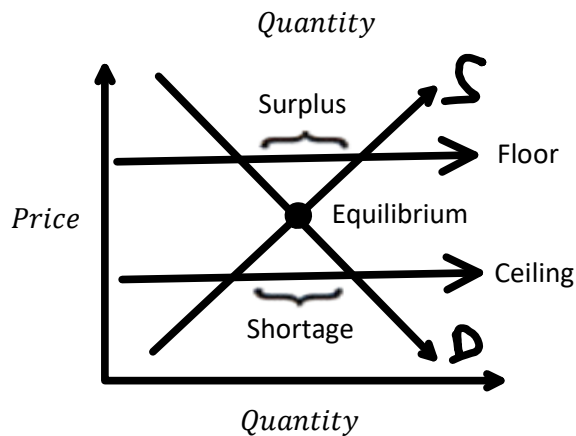
Change in Demand/Supply \neq Change in Quantity Demanded



- Shift In Supply
- Inputs/Factors of Production
 - Conditions
 - Gov/Taxes/Regulations
 - Input Prices
 - Technology
 - Substitutes in Production
 - # Suppliers
 - Expectations

Change in Supply - A change in the quantity supplied at every price, caused by the change in the determinants of supply.

Causes a change in quantity demanded.



Price Controls - A government regulation to set either a maximum or minimum price for a product.

A Price Floor is a minimum price at which products can be sold legally.

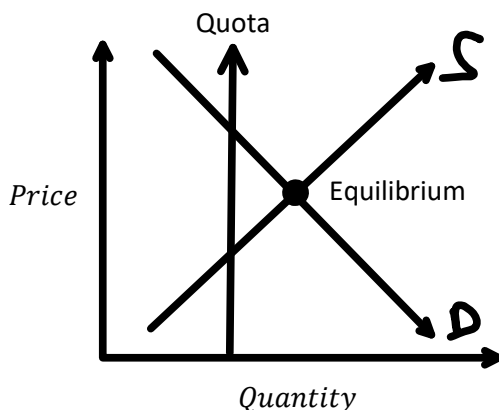
-Subsidies (Surplus)

A Price Ceiling is a maximum price at which a product can be sold legally.

-Rent Control (Shortage)

Shortage - At the prevailing price, the quantity supplied is smaller than the quantity demanded. (Shortages cause prices to rise).

Surplus - At the prevailing price, the quantity supplied is greater than the quantity demanded. (Surpluses cause prices to fall).



Quota - Wheat, Milk etc.