

MGT 104

Micro Economics



Demand

[di-'mand]

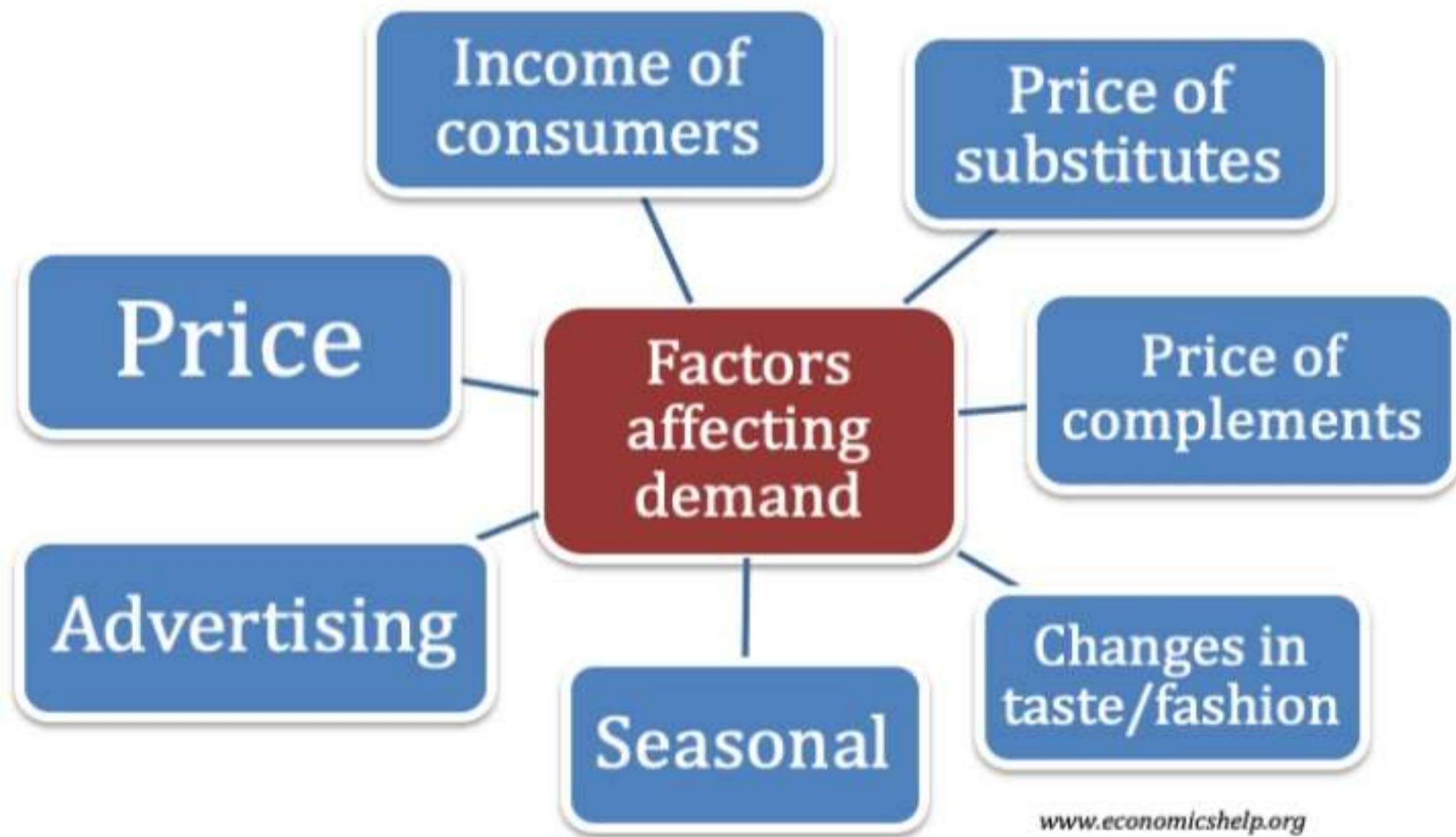
An economic principle referring to a consumer's desire to purchase goods and services and willingness to pay a price for a specific good or service.



Meaning of Demand, Definition and Determinants

Tutor'sTips.com





Five Determinants of Demand with Examples and Formula



1 Price of Good or Service



2 Income of Buyers



3 Prices of related goods or services



5 Expectations



4 Tastes of Consumers

$$qD = f$$

F = price, income, prices of related goods, tastes, expectations

Determinants of Market Demand



- 1) Price of the Product
- 2) Price of the Related Goods
- 3) Consumer's Income
- 4) Consumer's taste and preference
- 5) Advertisement Expenditure
- 6) Consumers' Expectations
- 7) Consumer-Credit Facility
- 8) Population of the Country
- 9) Distribution of National Income



Scope of Micro-economics

Theory of Product Pricing

Demand Analysis

Supply Analysis

Theory of Factor Pricing

Rent

Wages

Interest

Profit

Theory of Economic Welfare

Efficiency in production

Efficiency in consumption

Overall economic efficiency