MGT 104

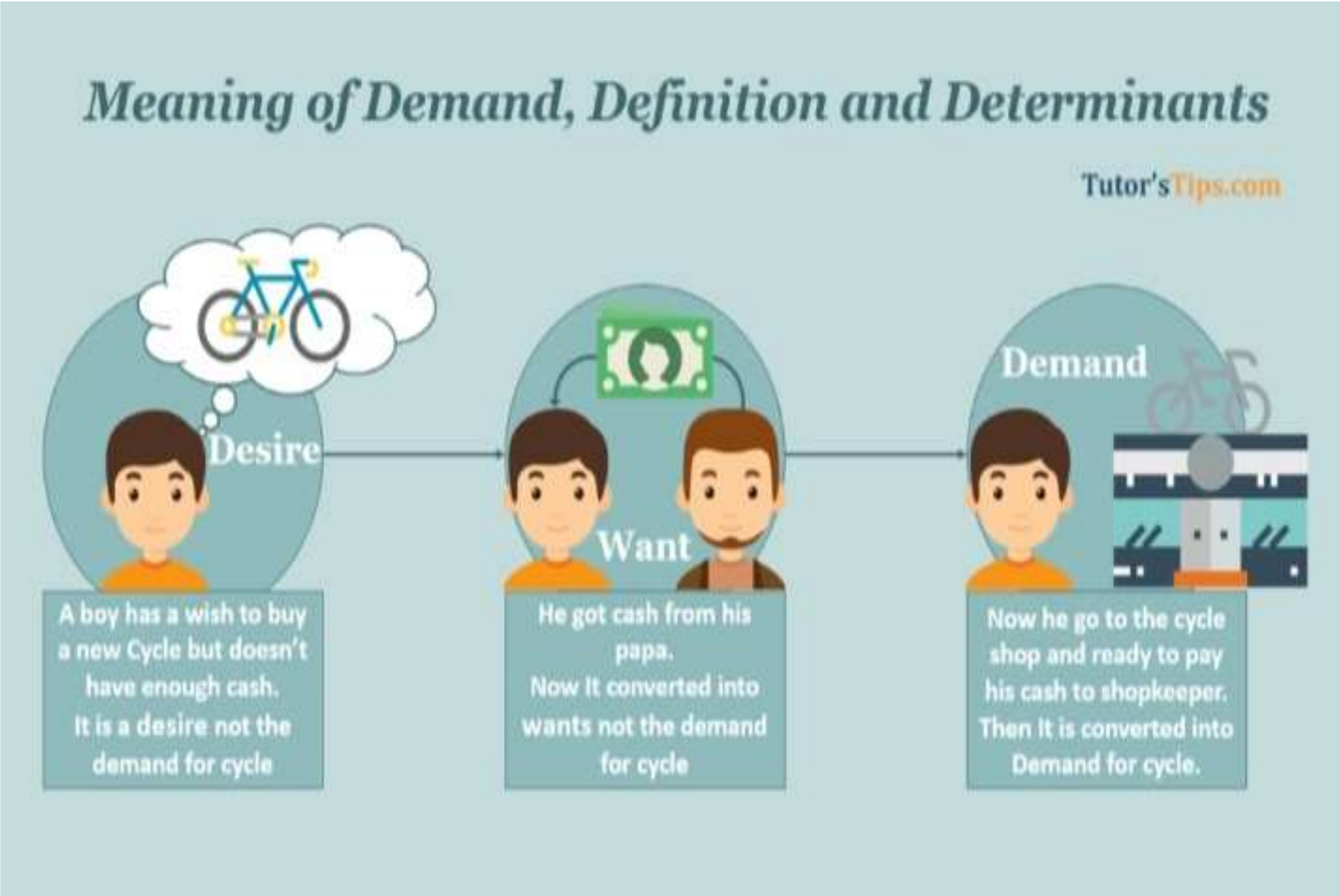
Micro Economics

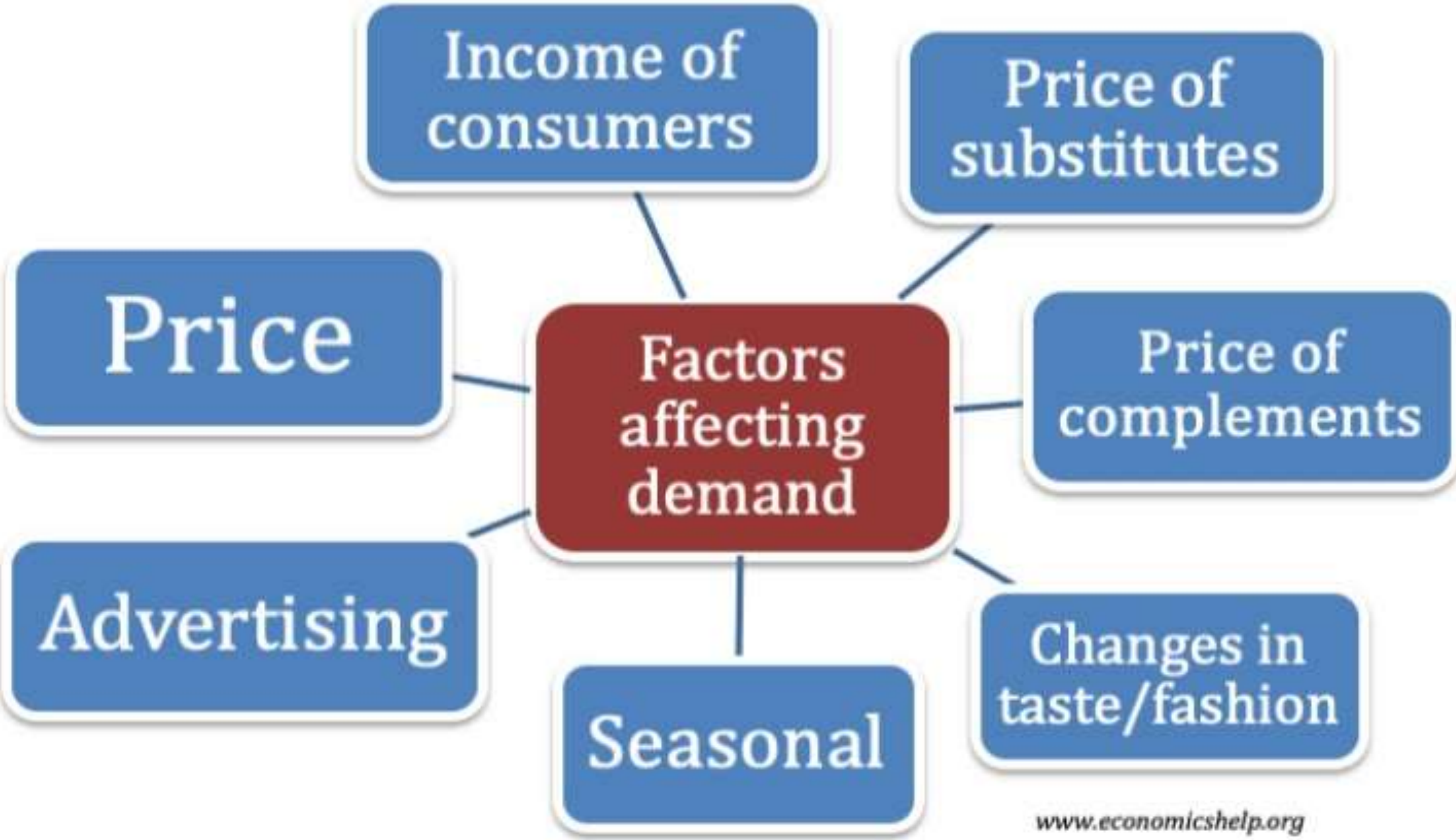
Demand

[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.


Price
Demand
Place
Period
of time


Meaning of Demand, Definition and Determinants
Tutor'sTips.com
Desire
Want
Demand
A boy has a wish to buy a new Cycle but doesn't have enough cash. It is a desire not the demand for cycle
He got cash from his papa. Now It converted into wants not the demand for cycle
Now he go to the cycle shop and ready to pay his cash to shopkeeper. Then It is converted into Demand for cycle.


Income of consumers
Price of substitutes
Price
Factors affecting demand
Price of complements
Advertising
Seasonal
Changes in taste/fashion
www.economicshelp.org


Five Determinants of Demand with Examples and Formula
qD = f
F = price, income, prices of related goods, tastes, expectations
1 Price of Good or Service
2 Income of Buyers
3 Prices of related goods or services
4 Tastes of Consumers
5 Expectations
the balance

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