Aishwarya. B.G
2-59

① Why does a market demand curve normally slope down?

→ Because as price falls, quantity demanded rises due to the law of demand, substitution effect, income effect, and diminishing marginal utility.

② Factors shifting demand curve right:

→ • Higher consumer income.
• Higher price of substitutes.
• Lower price of complements.
• Favorable tastes/ preferences.
• Larger population.
• Expectation of future price rise.

③ Why does a firm's supply curve slope up?

→ Higher prices encourage producers to supply more due to profit motive, rising costs, & new firms entering the market.

__/__/__

(4) Factors shifting supply curve left:
→ • Higher production costs
• Increased taxes or less subsidies.
• Poor technology or bad weather.
• Government restrictions
• Fewer producers.