

Definitions

1. Relative prices an increase or decrease in the price of a good relative to an average of the prices of all goods.
2. Demand curve a graph that shows how quantity demanded varies with the price of a good.
3. Supply schedule a table that shows how the quantity supplied of a good is related to the price.
4. Quantity supplied the quantity of a good sellers are willing and able to make available in the market over a given period at a certain price, other things being equal.
5. Supply a relationship between the price of an item and the quantity supplied by sellers.
6. Law of supply other things being equal, the higher the price of a good, the greater the quantity of that good sellers are willing and able to make available over a given period.
7. Market an arrangement through which buyers and sellers meet or communicate for the purpose of trading goods or services.
8. Supply & demand analysis explains how prices are established in markets through competition among many buyers and sellers, and how those prices affect the quantities traded.
9. Change in supply a change in the relationship between the price of a good and the quantity supplied in response to a supply determinant other than the price of the good.
10. Change in quantity demanded a change in the amount of a good buyers are willing and able to buy in response to a change in the price of the good.
11. Change in demand a change in the relationship between the price of a good and the quantity demanded caused by a change in a demand determinant other than the price of the good.
12. Complementary goods goods whose use together enhances the satisfaction a consumer obtains from each.
13. Substitute goods goods that serve a purpose similar to that of a given good.
14. Supply curve a graph that shows how the quantity supplied varies with the price of a good.
15. Law of demand other things being equal, the lower the price of a good, the greater the quantity of that good buyers are willing and able to purchase over a given period.
16. Change in quantity supplied a change in the amount of a good sellers are willing to sell in response to a change in the price of the good.
17. Demand a relationship between the price of an item and the quantity demanded.
18. Demand schedule a table that shows how the quantity demanded of a good would vary with price, given all other demand determinants.
19. Quantity demanded the amount of an item the buyers are willing and able to purchase over a period at a certain price, given all other influences on their decision to buy.