

# DEMAND

**Definition:** Quantities of a particular good or service consumers are willing and able to buy at a particular time

**Graph:** Always has a negative slope

## PRICE EFFECT

**Definition:** Consumers' willingness to buy more at lower prices and less at higher prices

**Graph:** You're looking at price effect when you move along the curve

## ELASTICITY

**Definition:** The measure of how much a change in the price of a product affects consumers' demand for that product.

**Graph:** Elasticity affects the slope of a demand curve

## NON-PRICE EFFECT (or CHANGE IN DEMAND CURVE)

**Definition:** The effect that non-price determinants have on how much consumers will buy.

**Graph:** Curve actually shifts to the right or left and reflects a change in demand.