

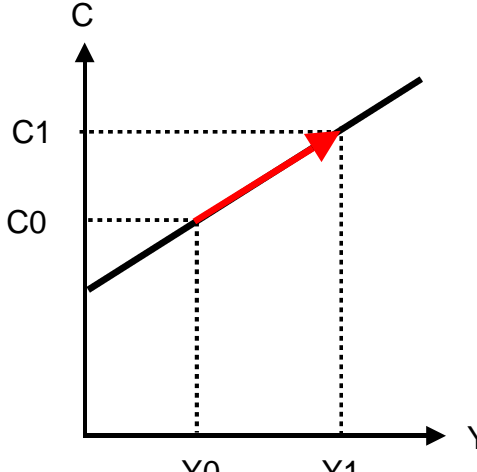
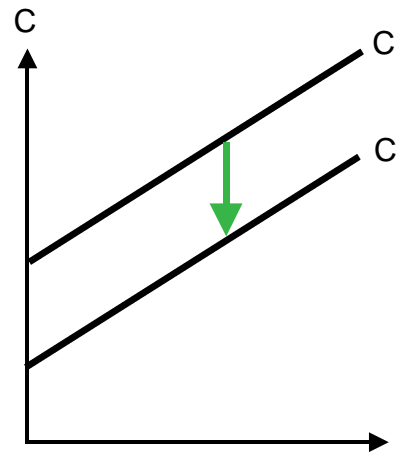
Movements vs Shifts (curves)

1 In microeconomics

Shifts of a demand curve or of a supply curve are **different** from **movements** along such curves.

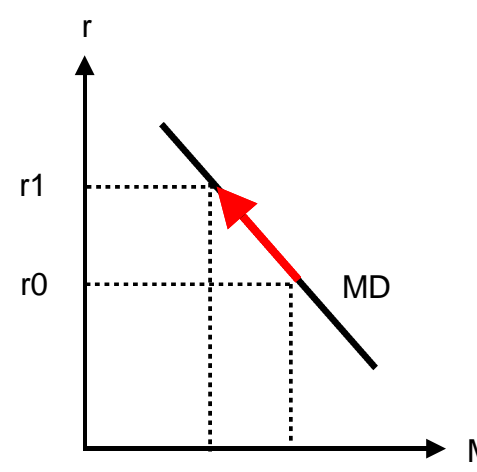
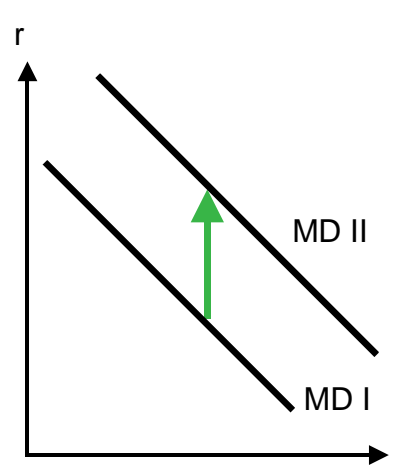
2 In macroeconomics

Example 1: Consumption function (C = Consumption, Y = Income)

Movement along the curve	Shift of the curve
 <p>A movement along the curve C takes place if Y rises from Y_0 to Y_1 (<i>ceteris paribus</i>).</p>	 <p>If interest rates rise, curve C shifts from $C I$ to $C II$.</p>

Example 2: Demand for money

(r = interest rate, MD = Money demand, M = Quantity of money)

Movement along the curve	Shift of the curve
 <p>A movement along the curve MD takes place if r rises from r_0 to r_1 (<i>ceteris paribus</i>).</p>	 <p>If incomes rise, curve MD shifts from $MD I$ to $MD II$.</p>