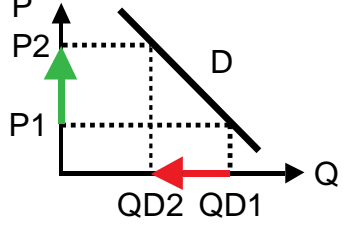
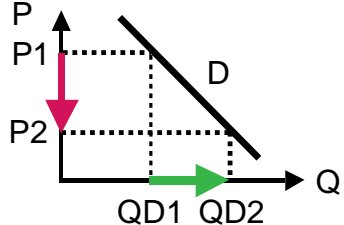
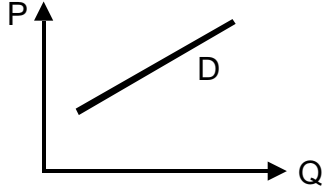


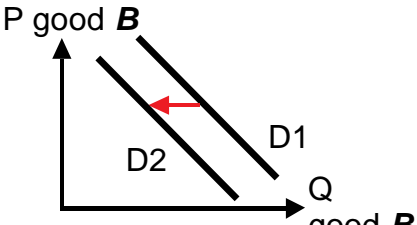
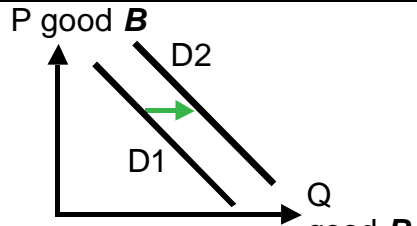
Goods (demand)

Abbreviations at the bottom of page 2

1 Effect of changes in price on the quantity demanded

<p>11 Law of demand</p> <p>The law of demand describes the negative relationship between price and quantity demanded (demand curve unchanged).</p>	$P + \Rightarrow QD -$	
	$P - \Rightarrow QD +$	
<p>12 Giffen good</p> <p>→ positive relationship between price and quantity demanded</p>	$P + \Rightarrow QD +$ and $P - \Rightarrow QD -$ (on the right: the demand curve of a Giffen good)	

2 Effect of changes in price good A on the demand good B

<p>21 Complements A, B</p> <p>→ negative relationship between the price of good A and the demand for good B</p>	$P \text{ good A} + \Rightarrow D \text{ good B} -$	
	$P \text{ good A} - \Rightarrow D \text{ good B} +$	

22 Substitutes A, B ➔ positive relationship between the price of good A and the demand for good B	P good A + ⇨ D good B +	
	P good A - ⇨ D good B -	

3 Effect of *changes in income* on demand

31 Normal good ➔ positive relationship between income and demand	Y + ⇨ D +	
	Y - ⇨ D -	
31 Inferior good ➔ negative relationship between income and demand	Y + ⇨ D -	
	Y - ⇨ D +	

Abbreviations

P = Price / Q = Quantity / D = Demand / QD = Quantity demanded /
Y = Income / + = Increase / - = Reduction