**Unit 2 Notes**

**Supply and Demand**

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| Key word | Information/Definition | Memory clue |
| Demand |  |  |
| Individual demand |  |  |
| Market demand |  |  |
| Quantity demanded |  |  |
| Law of demand |  |  |
| Demand Schedule |  |  |
| Demand curve |  |  |





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| Demand shift |  |  |
| Income effect |  |  |
| Substitution effect |  |  |
| Complementary good |  |  |

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| **Determinants of Demand** |
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| Determinant | How it affects demand |
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| Elasticity |  |  |
| Elastic demand |  |  |
| Inelastic demand |  |  |

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| **Determinants of Elasticity** |
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| Determinant | How it affects elasticity of demand |
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| Supply |  |  |
| Law of supply |  |  |
| Quantity supplied |  |  |
| Supply curve |  |  |
| Law of diminishing returns |  |  |





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| **Determinants of Supply** |
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| Determinant | How it affects supply |
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| Equilibrium price |  |  |
| Price Ceiling |  |  |
| Shortage |  |  |
| Price floor |  |  |
| Surpluses |  |  |

**Finding the equilibrium price, surplus, and shortage**

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