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## The term quantity demanded refers to

**Definition:** The requested quantity is the quantity of commodities that people are willing to buy at a certain price at a certain point in time. **Description:** Different amounts may be requested at different prices at a specific point in time. When all prices, along with the requested quantity, are drawn on the chart, a demand curve is formed. The requested quantity is subject to change at the same price depending on factors such as recession, changes in consumer taste, etc. Imagine that Ben & Jerry's has a promotion to discount the price of their ice cream next summer. What do you think will happen to ben& Jerry's ice cream amount Jerry who people want to buy? The likely outcome is that people will buy more ice cream. By the same token, if the price of ice cream will go up next summer, then the purchase of ice cream will likely go down. In this section, you will examine the law of this request and see why this simple concept is so important for understanding the economy. **Learning Objectives** Explain request and request law Identify and explain the query curve Create and interpret the query curve using the Image 1 data set. Gas demand. If gasoline prices suddenly rise drastically, fewer people will take to the streets. This is explained by the lawsuit. Economists use the term demand to refer to the number of some good consumers or services willing and able to buy at any price. Demand is based on needs and desires—consumers may be able to distinguish between needs and desires, but from an economist's perspective, they are the same thing. Requests are also based on the ability to pay. If you can't pay for it, you don't have an effective request. What the buyer paid for a particular unit of goods or services is called a price. The total number of units purchased at that price is referred to as the requested quantity. Good price increases or service almost always lower good quantity or requested service. Instead, the price drop will increase the quantity requested. When the price of a gallon of gasoline goes up, for example, people look for ways to reduce their consumption by combining multiple tasks, traveling by carpool or mass transit, or taking a weekend or vacation trip closer to home. Economists call this inverse relationship between price and quantity demanding demand law. The query law assumes that all other variables that affect the query are held constantly. Examples of the market for gasoline can be displayed in the form of tables or charts. A table showing the quantity requested at each price, such as Table 1, is called a query schedule. The price in this case is measured in dollars per gallon of gasoline. The requested quantity is measured in millions of gallons over several periods of time (for example, per day or per year) and in some (such as a country or country). Table 1. Requested Price and Quantity of Gasoline Price (per gallon) Requested Quantity (millions of gallons) \$1.00 800 \$1.20 700 700 600 \$1.60 550 \$1.80 500 \$2.00 460 \$2.20 420 The demand curve shows the relationship between the price and quantity requested on charts such as Figure 2, below, with the price per gallon on the vertical axis and the quantity on the horizontal axis. Note that this is an exception to the normal rule in mathematics that an independent variable (x) runs on a horizontal axis and a dependent variable (y) runs on a vertical. Economics is different from math! Also note that each point on the query curve comes from a single row in Table 1. For example, the topmost point on the query curve corresponds to the last row in Table 1, while the bottommost point corresponds to the first row. Figure 2. The Demand curve for Gasoline (derived from the data in Table 1). The query schedule (Table 1) indicates that when the price rises, the requested quantity decreases, and vice versa. These points can then be illustrated, and the line connecting them is the request curve (shown by line D in the chart, above). The downward slope of the demand curve again illustrates the law of demand—the inverse relationship between the price and the requested quantity. The query schedule shown by Table 1 and the query curve shown by the graph in Figure 2 are two ways to describe the same relationship between the price and the requested quantity. The demand curve shows how many good people are willing to buy at different prices. Watch this video to see examples of oil demand. When oil prices are high, fewer people are willing to pay a large price tag but some consumers, such as airlines, rely heavily on the use of oil for fuel, they are willing to pay a lot. Other low-value consumers will be less likely to pay for expensive oil, as they can find a replacement or alternative. The demand curve will look a bit different for each product. They may seem relatively steep or flat, or they may be straight or curved. Almost all demand curves have a fundamental similarity that they tilt downwards from left to right. In this way, the demand curve embodies the law of demand: When the price increases, the requested quantity decreases, and conversely, when the price decreases, the requested quantity increases. In economic terminology, the request is not the same as the requested quantity. When economists talk about demand, they mean the relationship between the price range and the amount requested at those prices, as illustrated by the demand curve or demand schedule. When economists talk about the requested quantity, they mean only a certain point on the demand curve, or one quantity on the demand schedule. In short, the query refers to the curve and the requested quantity refers to the (specific) point on the curve. What Are The Factors Request? We define demand as the number of multiple products that consumers are willing to buy at any price. This indicates at least two factors, in addition to price, that affect demand. The willingness to buy indicates a desire to buy, and it depends on what economists call tastes and preferences. If you need or want something, you won't be willing to buy it. The ability to buy shows that income is important. Professors are usually able to afford better housing and transport than students, because they have more income. The price of related goods can also affect demand. If you need a new car, for example, Honda prices can affect your demand for Ford. Finally, the size or composition of the population can affect demand. The more children the family has, the greater their demand for clothes. The more driving-age children the family has, the greater their demand for car insurance and the less for diapers and infant formula. These factors are important both for demand by individuals and demand by the market as a whole. Exactly how do these factors affect demand, and how do we graphically demonstrate its effects? To answer those questions, we need to assume the paribus ceteris. **Ceteris Paribus Assumption** The demand curve or supply curve (which we will cover later in this module) is the relationship between two, and only two, variables: the price on the vertical axis and the quantity on the horizontal axis. The assumption behind the demand curve or supply curve is that no relevant economic factors, other than product prices, are changing. Economists call this assumption ceteris paribus, a Latin phrase that means other things equal. Any demand or supply curve given is based on the ceteris paribus assumption that all others are held equal. Therefore, the demand curve or supply curve is the relationship between two, and only two, variables when all other variables are held equally. If all others are not held equally, then the laws of supply and demand will not always apply. Ceteris paribus is applied when we look at how price changes affect demand or supply, but paribus ceteris can also be applied more generally. In the real world, demand and supply depend on more factors than just price. For example, consumer demand depends on revenue, and the manufacturer's supply depends on the cost of product production. How can we analyze the effect on demand or supply if multiple factors change at the same time—let's say prices rise and revenue falls? The answer is that we examine the changes one by one, and assume that other factors are held constantly. For example, we can say that price increases reduce the amount consumers will buy (assuming income, and anything that affects demand, does not change). In addition, the decrease in revenue reduces the amount consumers can buy (assuming the price, and anything that affects demand, is unchanged). This is what the assumption of ceteris paribus actually means. In the case of once we analyze each factor separately, we can combine the results. The amount consumers buy goes down for two reasons: firstly because of higher prices and secondly because of lower incomes. Watch this video to review request theory. Remember that, according to the law of the request and all other things same (ceteris paribus): the lower the price of a product, the more of it will be purchased the higher the price of the product, the less of it will be purchased ceteris paribus: When changing one variable in the function (e.g. demand for some products), we assume everything else holds a constant demand: the relationship between the price of a particular goods or service and the good quantity or service of a person willing and able to buy the demand curve : graphical representation of the relationship between the price and quantity requested of a particular good or service, with the price on the vertical axis and the quantity on the horizontal axis request schedule: a table showing the requested quantity for good or a particular service on various demand price laws: a general relationship whose higher price leads to a lower amount being requested from a particular good or service and a lower price leads to a higher quantity being demanded , while all other variables are held at a constant price: what the buyer is paying for a specific unit of good or the quantity of the requested service: the total number of good units or the service the consumer wants to buy at a certain price