

## **4 DEMAND AND SUPPLY**

### **A. STARTING POINTS**

- 1. Invisible Hand**
- 2. Assumptions for Demand (D), Supply (S)**
- 3. Money Prices (P)**
- 4. Quantities (Q) Demanded and Supplied**

### **B. DEMAND**

### **C. SUPPLY**

### **D. EQUILIBRIUM**

- 1. Market Equilibrium**
- 2. Effect of Shift in D**
- 3. Effect of Shift in S**
- 4. Combined Effect of D, S Shifts**

### **E. MARKET DISEQUILIBRIA**

- 1. Price Ceiling**
- 2. Price Floor**
- 3. Inefficiencies**