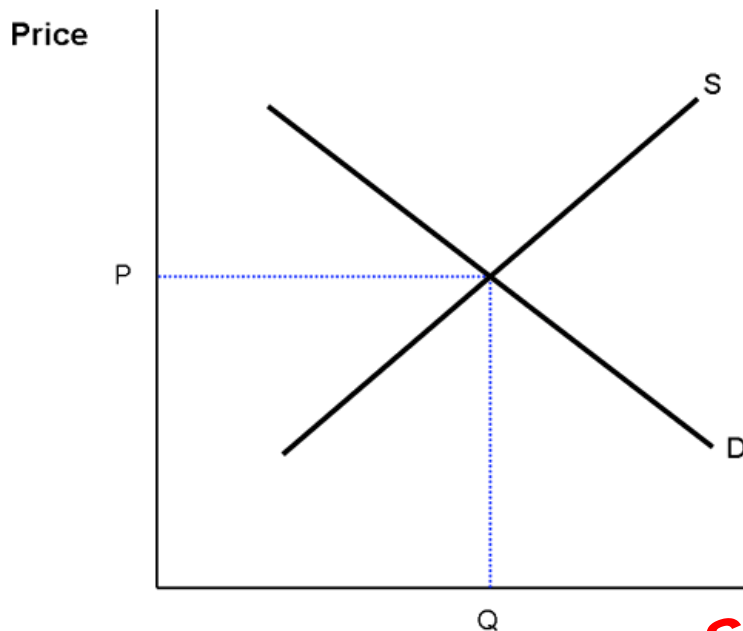




We will answer following questions today.

1. Why does JC Penny advertise markdown sales for almost every Saturday?
2. Why do you see that gas prices stay the same for a few days then jumps around for next few days?
3. Why does CMU sales less tickets when a basket ball game is scheduled on a Thursday?
4. Why does a late freeze in Florida raise the orange prices at your grocery store?

Each one of these questions has something to do with the concept of **Demand** and **Supply**

When you go to the grocery store and buy a can of soup you create a **Demand** for soup.

When you sell your last semester's text books you create a **Supply** of text books.

Let's focus first on **Demand or Individual Demand**.