DEMAND

Population - The higher the population, the higher the demand.

Advertising - The more advertising there is, the higher the demand.

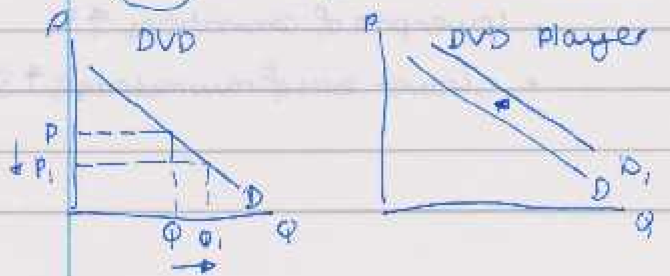
Substitutes - The increase in the price of substitute A will shift the demand curve to the right of substitute B.

Income - ↑Y, ↑D if it is a normal good.

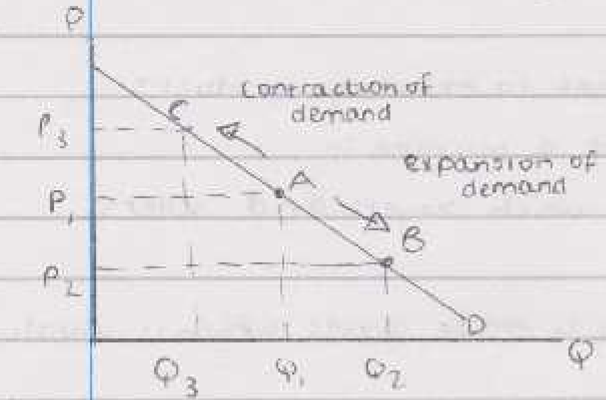
Fashion / Taste - Change in tastes/fashions will increase demand for that product.

Interest Rate - Low I.R, ~~[illegible]~~ cheaper to borrow, demand ↑.

Complements - As price of DVDs decrease



price, the higher the quantity demanded. The higher the price, the lower the quantity demanded.



$\downarrow P, \uparrow Q \therefore$ expansion of demand

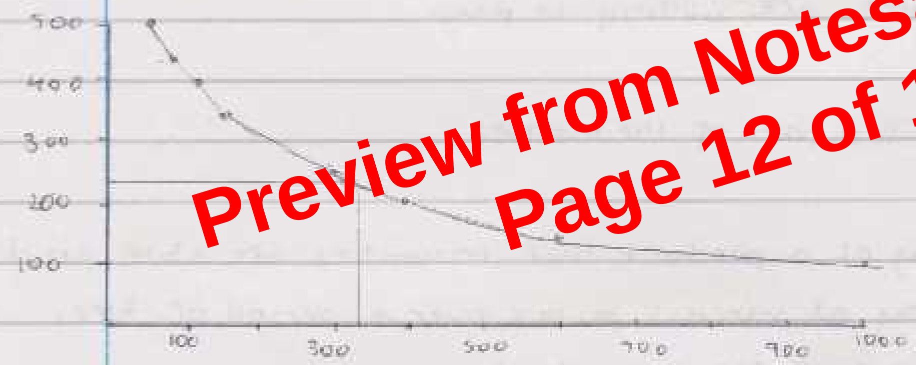
$\uparrow P, \downarrow Q \therefore$ contraction of demand

Price change = movement along D curve

The Demand Curve: relationship between price and quantity demanded of a product.

Demand Schedule: the data that is used to draw the demand curve of a product.

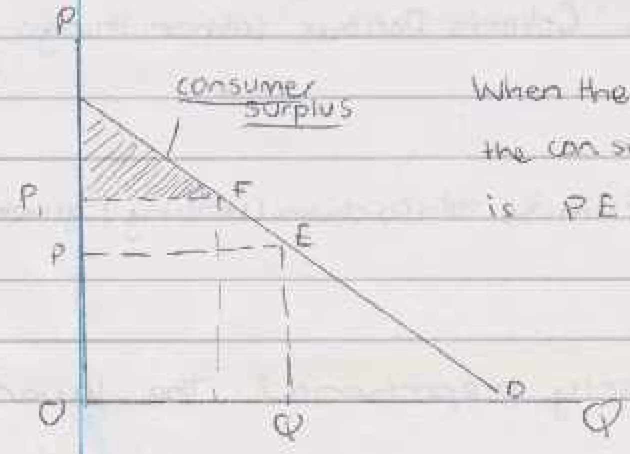
Movement along the demand curve: response to a price change



If price is £225 per person, 320 holidays may be expected to sell.

Consumer surplus

The ~~price~~ extra amount that a person is willing to pay above the price that is actually paid.



When the price ↑, the consumer surplus area is $PEFP_1$ less

£2 5% £0.50