

THE CONCEPT OF DEMAND

Demand is known as one of the basic terms used in Economics.

However, every successful economist makes its analysis based on the force of demand.

Hence, Demand is defined as the total quantity of goods or services that consumers are **willing** and **able** to **buy** at a given **price** and at a particular **time**. In order to give a concrete and solid definition of demand, the highlighted words must be added. This is because in an economic market, Demand for a commodity or service cannot be complete unless the consumer backs up its with the willingness and ability to pay the cost. Also, it must be done at a particular time. These conditions make up an **EFFECTIVE DEMAND**.

THE NORMAL LAWS OF DEMAND

In Economics, analysis are made based on consumer behaviours and responsiveness. Therefore, the normal laws of demand were discovered due to consumer behaviour. They state the following:

- 1) **The higher the price of a commodity or service, the lower the quantity demanded.**
- 2) **The lower the price, the higher the quantity demanded.**

These laws further illustrate that when the cost of a commodity or service is high, consumer will have low interest in them due to their expensive nature thereby leading to a low level of quantity demanded.

And when the cost of a commodity or service is low, consumer will buy more thereby leading to a high level of quantity demanded.