

Micro Economics

Theory of Consumer Behaviour

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PART-3

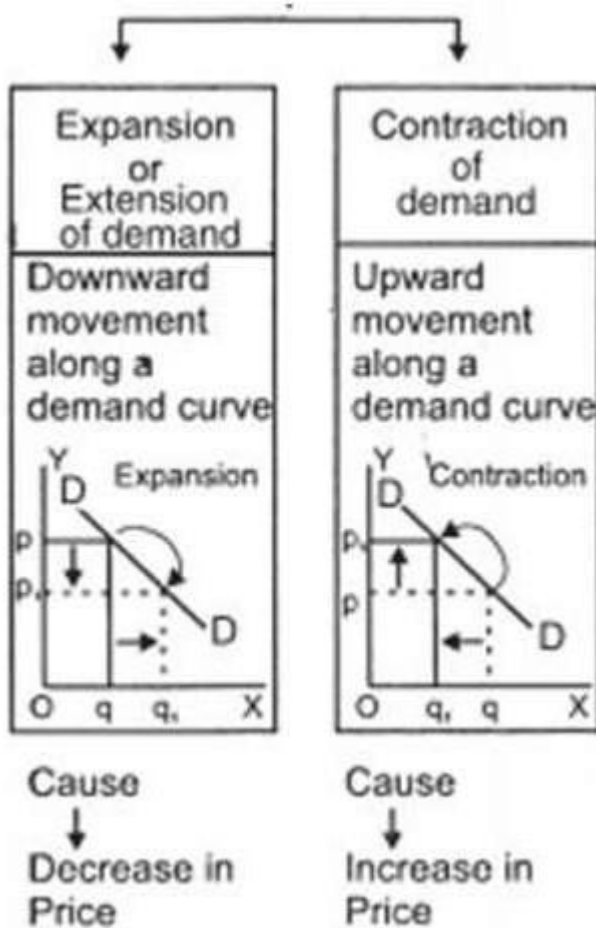
Quantity Demanded: It is that quantity which a consumer is able and is willing to buy at particular price and in a given period of time.

Determinants of Demand:

- Price of Good
- Income of Consumers
- Taste & Preference of Consumer
- Prices of related goods

Change of Demand :

a) Change in quantity demanded or Movement along Demand curve



b) Change in Demand or Shift in Demand

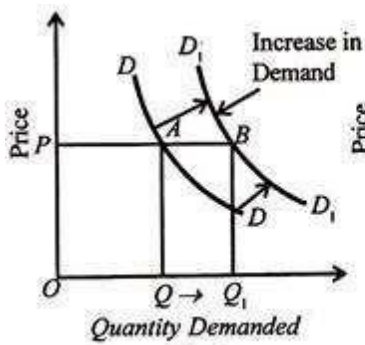


Fig. 4

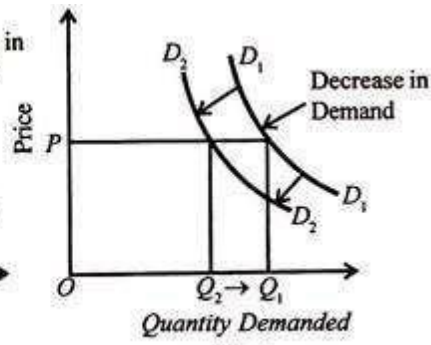


Fig. 5

Market Demand: It is the total quantity of the commodity demanded in the market by all consumers at different prices at a point of time.

Demand Function: It is the functional relationship between the demand for a commodity and factors affecting demand.

Law of demand: The law states that when all other things remain constant then there is an inverse relationship between the price of the commodity and the quantity demanded of it. That is, higher the price, lower the demand and lower the price, higher the demand.

Change in Demand: When demand changes due to a change in any one of its determinants other than the price.

Change in Quantity Demanded: When demand changes due to a change in its own price, keeping all other factors constant.
