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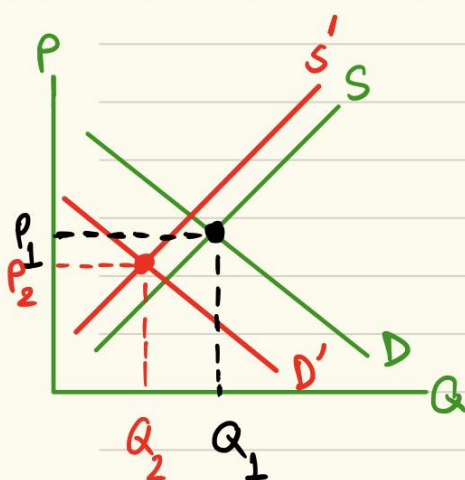
## Change in demand & change in Supply

- (A) Decrease in Demand & Decrease in Supply
- (B) Increase in Demand & Increase in supply
- (C) Decrease in Demand & Increase in supply
- (D) Increase in Demand & Decrease in supply

(A) Demand decreases & Supply decreases

(1)

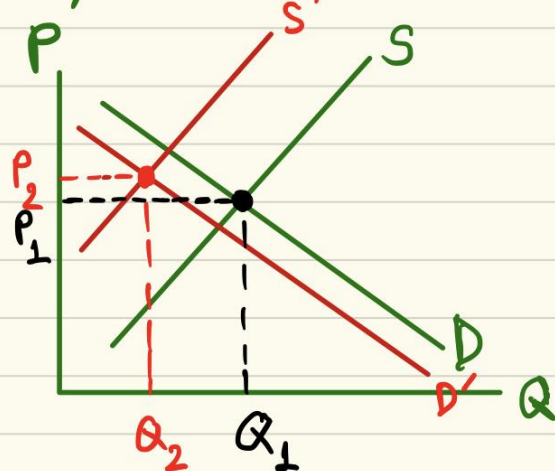
Demand decrease more than supply decreases



$P \downarrow, Q \downarrow$  but  $Q \downarrow$  more than  $P \downarrow$

(2)

supply decreases more than demand decreases



$P \uparrow, Q \downarrow$  :  $Q \uparrow$  more than  $P \downarrow$

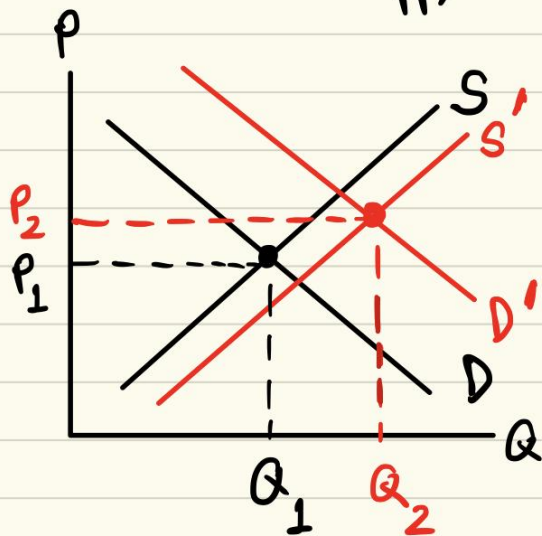
$\therefore$  So P is Ambiguous while  $Q \downarrow$



# (B) Demand Increases & Supply Increases

(1)

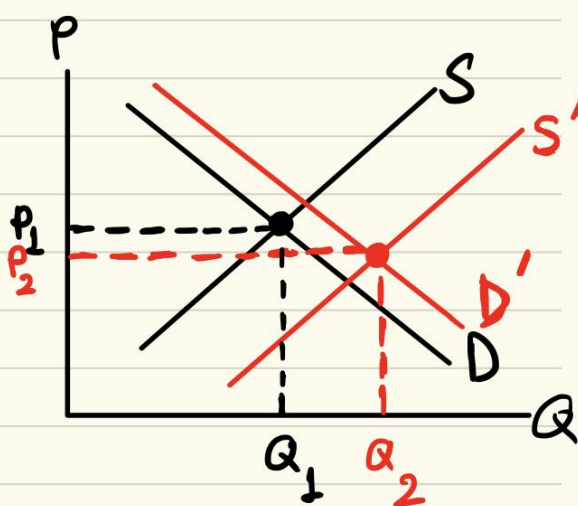
Demand Increases more than Supply Increases



$P \uparrow, Q \uparrow$  but  $Q \uparrow$  more than  $P \uparrow$

(2)

Supply Increases more than Demand increase



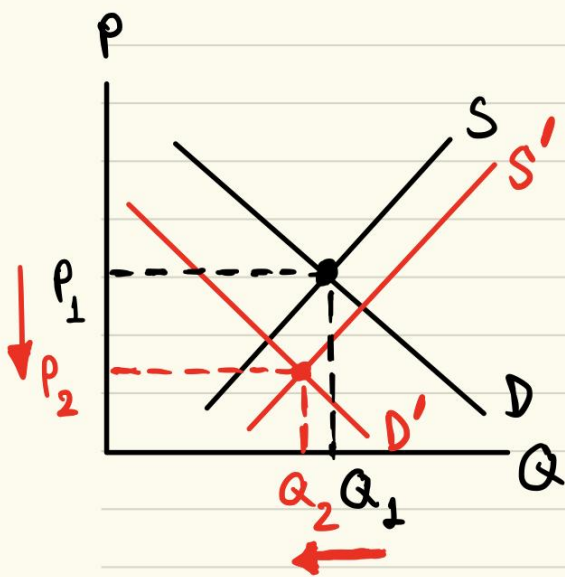
$P \downarrow, Q \uparrow$  but  $Q \uparrow$  more than  $P \downarrow$

So  $P$  is ambiguous while  $Q \uparrow$

## (C) Demand decreases & Supply increases

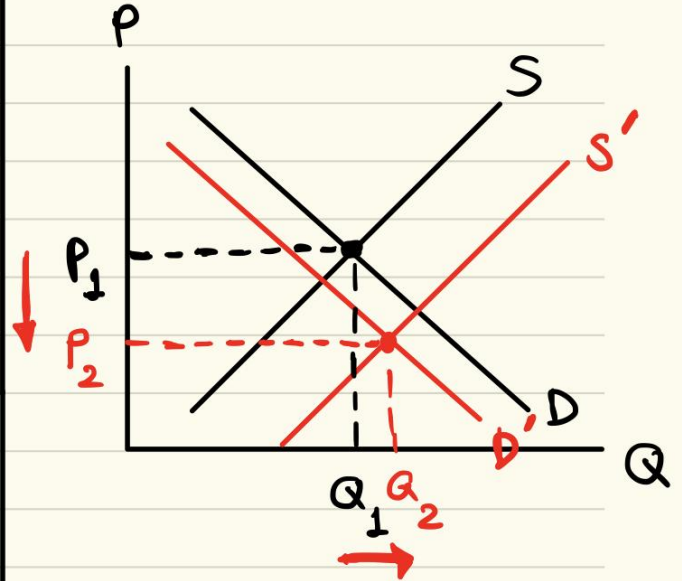
(1)

demand decreases more than supply increases



(2)

supply increases more than demand decreases

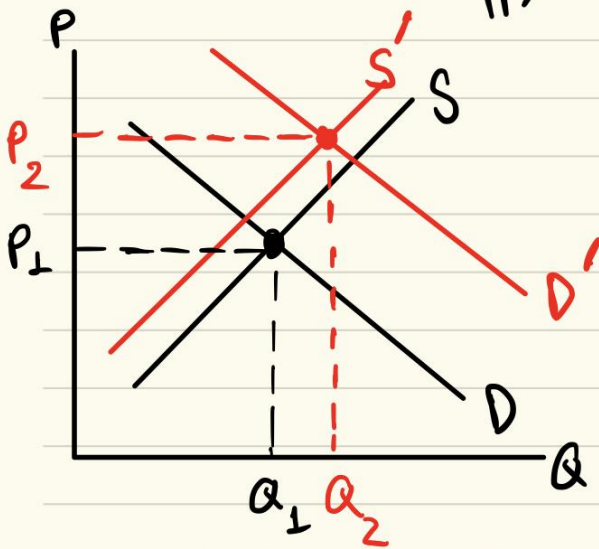


$P \downarrow, Q \downarrow$  but  $P \uparrow$  more than  $Q \uparrow$       $P \downarrow, Q \uparrow$  but  $P \downarrow$  more than  $Q \uparrow$

$Q$  is ambiguous while  $P \downarrow$

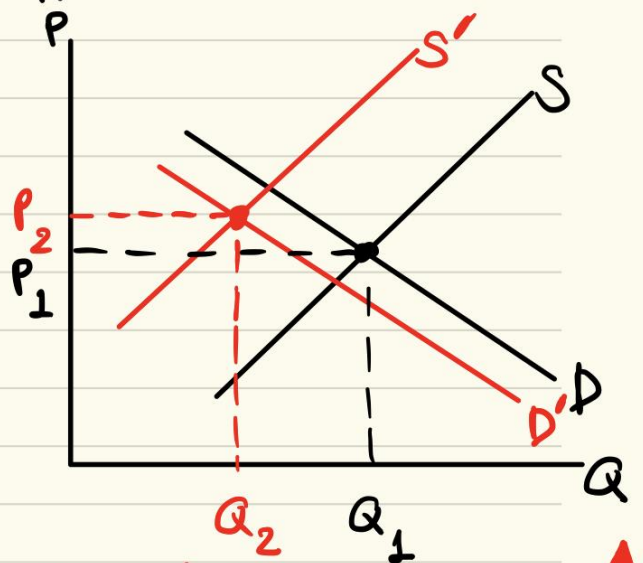
① Demand increases & Supply decreases

(1) Demand increases more than supply decreases



$P \uparrow, Q \uparrow$  but  $P \uparrow$  more than  $Q \uparrow$

(2) Supply decreases more than demand decreases



$P \uparrow, Q \downarrow$  but  $Q \downarrow$  more than  $P \uparrow$

Q is ambiguous while P ↑