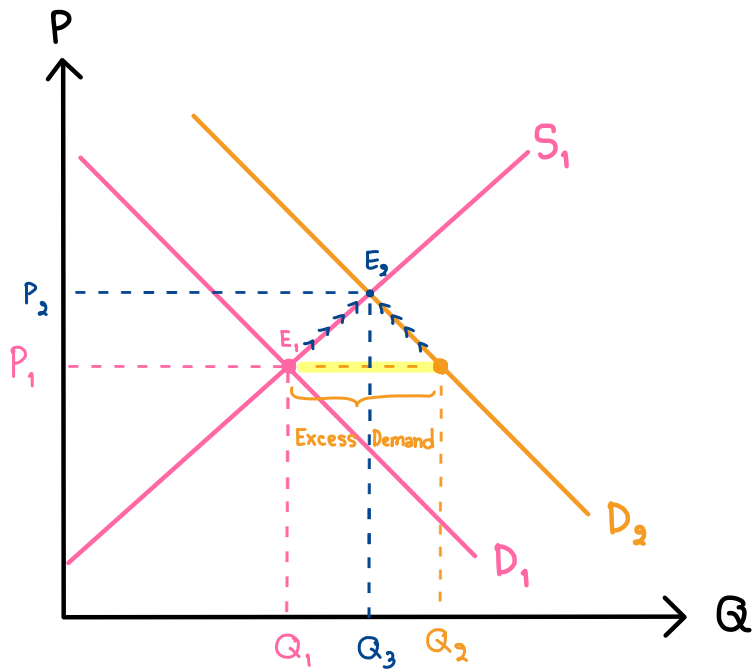


Shift in Demand

Situation : During covid-19, people trend to buy more pet food



- ★ Before covid-19 the equilibrium point stay at point E_1 , which $P_1 = Q_1$
- ★ Once people spend more time at home during lockdown, the quantity demand of pet food is increasing as they might have more time to take care their pet or even buy more pets.
- ★ Therefore, the line of demand will shift to the right from D_1 to D_2 .
However, as $Q_s < Q_D \Rightarrow$ excess demand (shortage)
- ★ At the end, price will increase from P_1 to P_2 (to eliminate excess supply) so it will create new equilibrium at E_2 ($P_2 = Q_3$)