

OFFER AND DEMAND CURVES

The demand curve shows the relationship between the price of a good and the quantity demanded. It is downward sloping, indicating that as the price falls, the quantity demanded increases. The supply curve shows the relationship between the price of a good and the quantity supplied. It is upward sloping, indicating that as the price rises, the quantity supplied increases.

The equilibrium price is the price at which the quantity demanded equals the quantity supplied.

	GBP	GBP	D	D	E R	E R
	7/ 2	a	7/ 2	a	7/ 2	a
Ba A	1500	2250	2100	3150	1500	2100
Ba B	3000	4500	4200	6300	3000	4200
Ba C	4500	6750	6300	9450	4500	6300

a Q Ba

Ba A a :

- The demand curve is downward sloping.
- The supply curve is upward sloping.
- The equilibrium price is the price at which the quantity demanded equals the quantity supplied.
- The equilibrium quantity is the quantity at which the quantity demanded equals the quantity supplied.
- The market price is the price at which the good is sold.