

4

Supply

Illustrate Supply on a graph.

- P on Y-axis, Q on X-axis
- Show how changes to the determinates of supply affect the supply line.

Identify that the MC of production is the Supply*.

- *At all prices in the "reasonable" range.
- Comprehend scale of individual v. market

Organize the determinates of Supply and differentiate them from simple changes in price.

- Per-unit Cost of inputs (tax/subsidy)
- Technology
- # of Producers
- Expectations
- Price of substitutes in production

Retrieve/Recall

- Supply
- Quantity supplied
- Price
- Supply schedule
- MC

Demand

Illustrate Demand on a graph.

- P on Y-axis, Q on X-axis
- Show how changes to the determinates of demand affect the demand line.

Identify that the \$ value MU (MB) of consumption is the Demand

- At all prices
- Comprehend scale of individual v. market

Organize the determinates of Demand and differentiate them from simple changes in price.

- Consumer taste
- Price of substitutes and complements
- Income
- Population
- Expectations

Retrieve/Recall

- Demand
- Quantity demanded
- Demand schedule
- Utility
- MU or MB

Market Equilibrium

Synthesize your knowledge of Mar. Analysis with a market graph.

- $MC = S$
- $MB = D$
- Optimal rule and Allocative Efficiency

Analyze the Equilibration Process thinking economically.

- 1. Det. Change
- 2. S/D Change
- 3. Equilibration
 - A. Price Pressure
 - B. QD/QD Slide

Illustrate:

- Allocative Efficiency
- Excess Capacity
- DWL

Comprehend how markets equilibrate when:

- Supply changes
- Demand Changes
- They both change.

Retrieve/Recall

- Product Surplus
- Product Shortage
- Equilibration

3

2

1