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Condition of Demand - A determinant of demand, other than the good's own price, that fixes the position of the demand curve

*Competitive Market* - A market in which the large number of buyers and sellers possess good market information and can easily enter or leave the market



Supply - The quantity of a good or service that firms are willing and able to sell at given prices in a given period of time

Equilibrium Price - The price at which planned demand for a good or service exactly equals planned supply

> Demand - The guantity of a good or service that consumers are willing and able to buy at given prices in a given period of time. For economists, demand is always effective demand

Market Supply - The quantity of a good or service that all firms plan to sell at given prices in a given period of time

Effective Demand - The desire for a good or service backed by an ability to pay.

Market Demand - The quantity of a good or service that all consumers in a market are willing and able to buy at different market prices

*Market Equilibrium* - A market is in equilibrium when planned demand equals planned supply and the demand curve crosses the supply curve. In this situation there is no excess demand or excess supply in the market. Unless some event disturbs the equilibrium, there is no reason for the price to change.

Inferior Good - A good for which demand decreases as income rises and demand increases as income falls

Normal Good - A good for which demand increases as income rises and demand decreases as income falls

Joint Supply - When one good is produced, another good is also produced from the same raw materials

*Competing Supply* - When raw materials are used to produce one good they cannot be used to produce another good

Complementary Good - A good in joint demand, or a good which is demanded at the same time as the other good

Substitute Good - A good in competing demand, namely a good which can be used in place of another good