

CHAPTER 3

- Define demand
- Identify the 5 factors that change demand
- Illustrate the effect of a change in any of the 5 factors that affect demand
- Explain the difference between a change in demand and a change in quantity demanded
- Define supply and the 2 factors that change supply
- Illustrate the effect of a change in either of the 2 factors that affect supply
- Explain the difference between a change in supply and a change in quantity supplied
- Define equilibrium in general and in a market
- Understand the impact of price controls on the market
- Illustrate the effect of a change in supply, demand, or both on equilibrium price and quantity in a market
- identify and understand the socially optimal output