

Demand reflects the amount of the planned purchases at all possible price levels of goods or services, that is, graphically represents the entire demand curve (Demand and New Demand). The level of demand is the amount of purchases that consumers are willing to take at a particular price level and is a single point on the graph of the demand curve (Blue and lilac points). Reduction in demand means that at each price level consumers are willing to buy fewer amounts of goods than before, thus, the demand curve shifts to the left – down, so we get New Demand curve.

