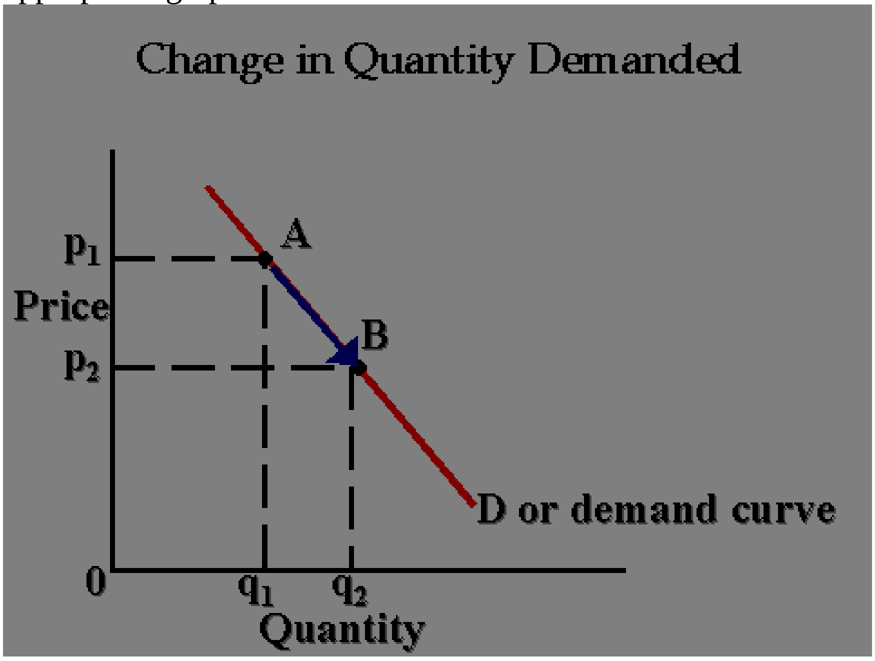
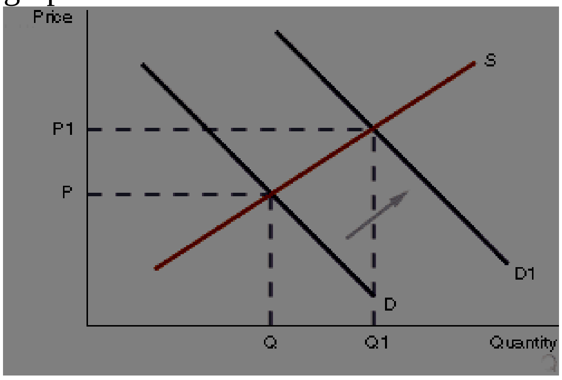
Answer on Question#39323 – Economics – Microeconomics

1. An increase in the quantity demanded for good X. Illustrate your answer with an appropriate graph.



A change in quantity demanded caused **ONLY** by a change in the **PRICE** of the product. On a graph it is represented by a movement ALONG a **SINGLE** demand curve.

2. An increase in the demand for good X. Illustrate your answer with an appropriate graph.



An increase in demand will shift the demand curve for a good to the right resulting in a higher equilibrium quantity and a higher equilibrium price in the market.

A shift in the demand curve will be caused by a change in one of the determinants of demand (other than price). These determinants include the level of income, the price of other goods (substitutes and complements), tastes and perhaps factors like advertising. A shift to the right means an increase in demand.