

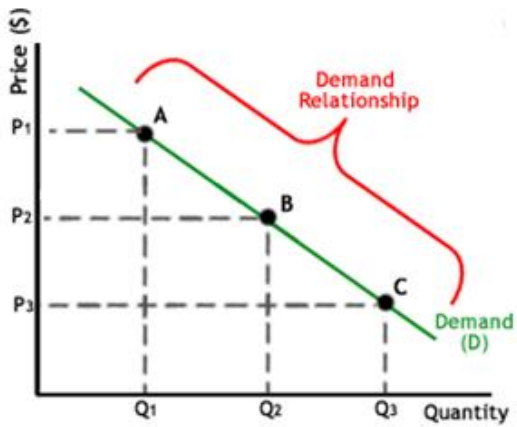
When a price of good A increases, is its quantity demanded or quantity demand of good A decreases?

Please explain your answer

Answer

When a price increases demand decreases.

The best explanation for this question is demonstration of Law of Demand



As the price of good increases, consumer demand for good will decrease and vice versa

If price is P₃ then Demand is Q₃. When Price increases to level P₂ demand decreases to level Q₂