

Answer on Question #69620 - Economics - Accounting

Question: List the determinants of the demand for pizza. Give an example of a demand schedule for pizza and graph the implied demand curve. Give an example of something that would shift this demand curve. Would a change in the price of pizza shift the demand curve?

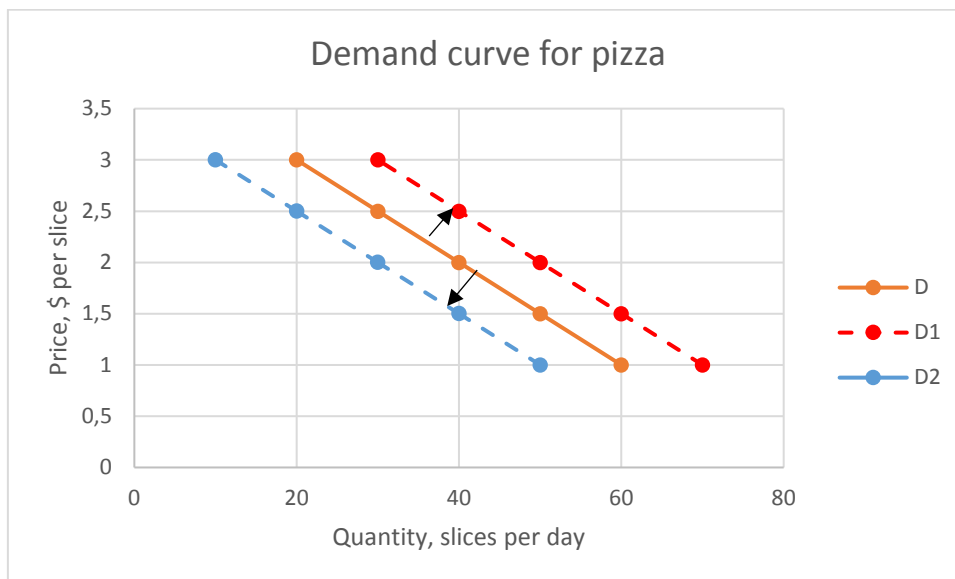
Answer: Determinants of the demand for pizza:

Price of pizza, price of substitutes (for example, price of burgers), price of complement goods (such as drinks), consumer's income, advertisement, individual tastes/preferences (for example, vegetarian pizza), possibility to delivery, wide variety of types etc.

Price and quantity demanded are inversely related. Example of demand schedule for pizza:

Price per slice, \$	Quantity slices per day
1	60
1,5	50
2	40
2,5	30
3	20

A demand curve is a graph of the demand schedule.



Increase price of substitutes, decrease price of complement goods, increase consumer's income, effective advertisement, availability of delivery, wide variety of types will shift the demand curve right (D1).

Decrease price of substitutes, increase price of complement goods, decrease consumer's income, ineffective advertisement, non-availability of delivery, absence of wide variety of types will shift the demand curve left (D2).

Change in the price of pizza wouldn't shift the demand curve. Quantity will change, but the demand curve still the same.