

ECONOMICS

Economics is the study of how we produce and distribute our wealth.



Supply and Demand

Law of diminishing demand (amount of units wanted) states that as customer's demand (offering price) goes down, the producer's (supplier's offering) production will also go down. Further, as customer's offering price goes up, so will producer's supply.

Producer's Supply Curve



The higher the customer price, the more the producer is willing to supply.

Customer's Demand Curve



The lower the supplier's price, the more the customer is willing to buy.

Market Price



Where the supply curve crosses the demand curve is the market price, also referred to as the equilibrium point.