

Introduction to Economics: Demand and Supply



Course feature image (upload as the course thumbnail)

Part 1: Course Setup Details

Course title	Introduction to Economics: Demand and Supply
Short description	Learn how prices are set in a market. This beginner course explains demand, supply and equilibrium using simple examples and graphs.
Duration	3 hours 0 minutes
Level	Beginner
Category	Economics / Business Studies
Tags	economics, demand, supply, price, market

What you will learn

- State and explain the law of demand and the law of supply
- Draw and read demand and supply curves
- Find the equilibrium price and quantity
- Explain what makes demand and supply curves shift

Requirements

- No prior knowledge of economics
- A pen, paper and a calculator

Target audience

- Secondary school and college students
- Beginners who want to understand how markets work

Part 2: Course Structure

Topic 1: Demand and Supply

Summary: How buyers and sellers decide, and how their choices set the price in a market.

Lesson 1	What is Demand? (Document)
Lesson 2	What is Supply? (Document)
Lesson 3	Market Equilibrium (Image / Video)
Lesson 4	Shifts in Demand and Supply (Image)
Quiz	Demand and Supply Check (5 questions)

Part 3: Lesson Notes

Take a screenshot of each lesson note below and paste it as the lesson image, or copy the text straight into the lesson editor.

Lesson 1: What is Demand?

Definition. Demand is the quantity of a good or service that buyers are willing and able to buy at different prices, during a given period of time.

The Law of Demand. When the price of a good rises, the quantity demanded falls. When the price falls, the quantity demanded rises. We say there is an *inverse relationship* between price and quantity demanded (all other things being equal).

Example: Demand schedule for bread

Price per loaf (N)	Quantity demanded per day
100	80
200	60
300	40
400	20

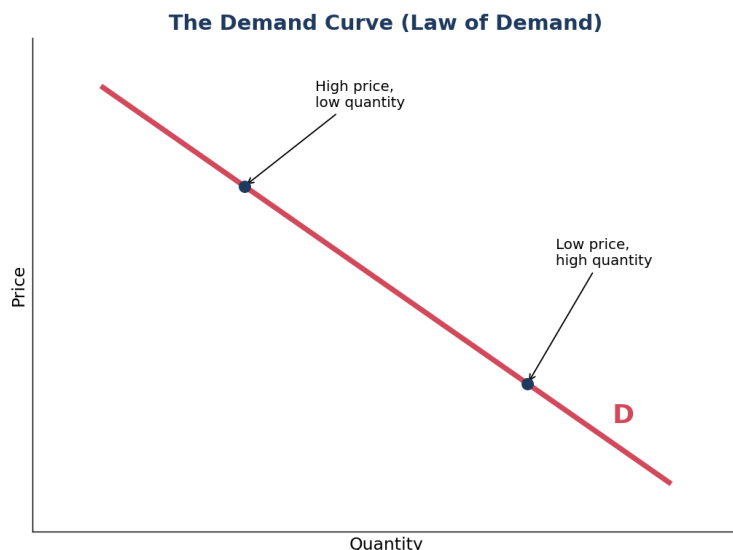


Figure 1: The demand curve slopes downward from left to right.

Why does demand slope downward?

- **Income effect:** a lower price makes buyers feel richer, so they buy more.
- **Substitution effect:** when a good gets cheaper, buyers switch to it from more expensive options.

Key terms

- **Quantity demanded:** a movement along the demand curve caused by a change in price.
- **Demand schedule:** a table showing price and quantity demanded.

Lesson 2: What is Supply?

Definition. Supply is the quantity of a good or service that producers are willing and able to sell at different prices, during a given period of time.

The Law of Supply. When the price of a good rises, the quantity supplied rises. When the price falls, the quantity supplied falls. There is a *direct relationship* between price and quantity supplied (all other things being equal).

Example: Supply schedule for bread

Price per loaf (N)	Quantity supplied per day
100	20
200	40
300	60
400	80

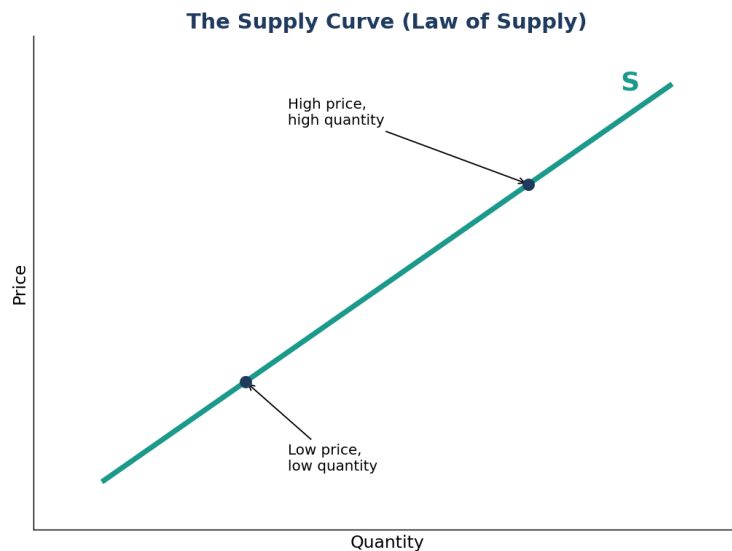


Figure 2: The supply curve slopes upward from left to right.

Why does supply slope upward?

- Higher prices mean higher profits, so producers want to produce and sell more.
- Producers can afford the extra cost of producing more units.

Lesson 3: Market Equilibrium

Equilibrium is the point where the quantity demanded equals the quantity supplied. The price at this point is the **equilibrium price (P^*)** and the quantity is the **equilibrium quantity (Q^*)**.

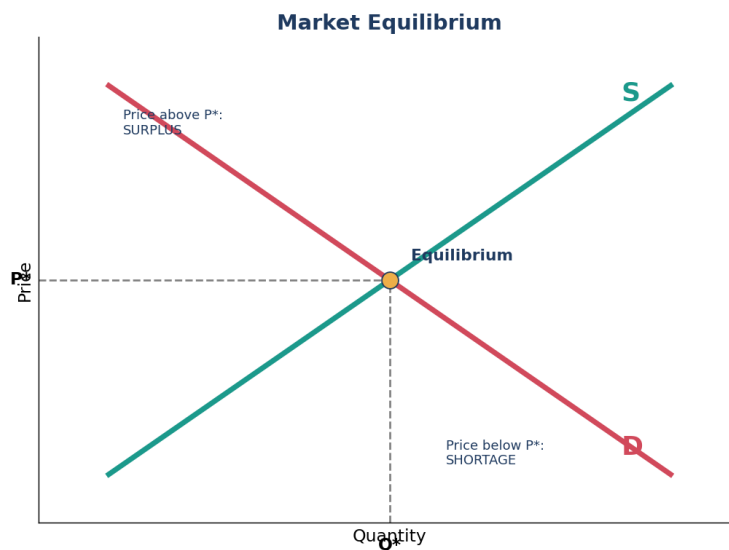


Figure 3: Equilibrium is where the demand and supply curves cross.

Reading the table (bread example)

Price (N)	Demand / Supply / Result
100	80 / 20 / Shortage of 60
200	60 / 40 / Shortage of 20
250	50 / 50 / EQUILIBRIUM
300	40 / 60 / Surplus of 20
400	20 / 80 / Surplus of 60

- **Surplus (excess supply):** price is above equilibrium, so sellers have unsold goods and lower the price.
- **Shortage (excess demand):** price is below equilibrium, so buyers compete and push the price up.
- The market moves back to equilibrium by itself.

Lesson 4: Shifts in Demand and Supply

A change in the price of the good itself causes a **movement along** the curve. A change in any other factor causes the **whole curve to shift**.

Factors that shift demand

- Consumer income
- Prices of related goods (substitutes and complements)
- Tastes and fashion
- Population size
- Expectations about future prices

Factors that shift supply

- Cost of production (wages, raw materials)
- Technology
- Taxes and subsidies
- Number of sellers
- Weather (especially for farm goods)

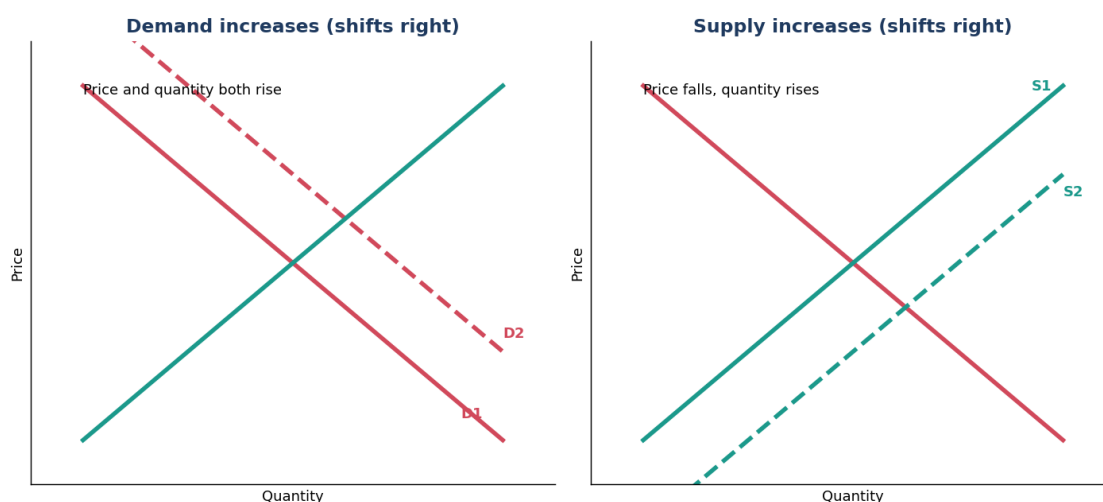


Figure 4: Shifts of the demand and supply curves.

Quick rules

Demand increases	Price rises, quantity rises
Demand decreases	Price falls, quantity falls
Supply increases	Price falls, quantity rises
Supply decreases	Price rises, quantity falls

Quiz: Demand and Supply Check

1. The law of demand says that when price rises, quantity demanded: (A) rises (B) falls (C) stays the same. **Answer: B**
2. True or False: A supply curve slopes downward. **Answer: False**
3. At equilibrium, quantity demanded is _____ quantity supplied. **Answer: equal to**
4. If price is above equilibrium there is a: (A) shortage (B) surplus. **Answer: B**
5. A rise in consumer income (for a normal good) shifts the demand curve to the: (A) left (B) right. **Answer: B**

Part 4: Upload Checklist

Feature image	1_course_feature_image.png (1280 x 720)
Lesson images	2_demand_curve.png, 3_supply_curve.png, 4_market_equilibrium.png, 5_shifts_of_curves.png
Document	This PDF (upload as a lesson attachment)
Video	Optional: record a 5 to 10 minute screen or phone video explaining Lesson 1
Duration	3 hours 0 minutes