



[Glossary]

Consumer Demand: Demand Analysis

Subject:	Business Economics
Course:	B.A. (Hons.), 1st Semester, Undergraduate
Paper No. & Title:	Paper – 101 Microeconomics – I
Unit No. & Title:	Unit – 2 Consumer Demand
Lecture No. & Title:	Lecture – 4 Consumer Demand: Demand Analysis

Glossary

Contraction in demand

When there is a rise in price, other factors remaining constant, demand decreases and the consumer moves to the left on the demand curve, it is called contraction in demand

Consumer Surplus

The difference between a consumer's willingness to pay and his actual payment is called consumer's surplus

Decrease in demand

Price remaining constant, when there is a decrease in any of the other factors affecting demand, the demand decreases and the consumer shifts to a lower demand curve, it is called decrease in demand

Expenditure

The total expenses incurred by the firm or company in producing a given amount of goods/services is called expenditure

Extension in demand

When there is a fall in price, other factors remaining constant, demand increases and the consumer moves to the right on the demand curve, it is called extension in demand

Income Elasticity of Demand

Price remaining constant, when demand changes due to change in income of the consumer, it is called income elasticity of demand

Increase in demand

Price remaining constant, when there is an increase in any of the other factors affecting demand, the demand increases and the consumer shifts to a higher demand curve, it is called increase in demand

Inverse Demand Function

Inverse demand function, as the name suggests, inverses the demand function and represents price as a function of quantity

Revenue

The total earnings of a firm or company from the sale of its goods/services is called revenue