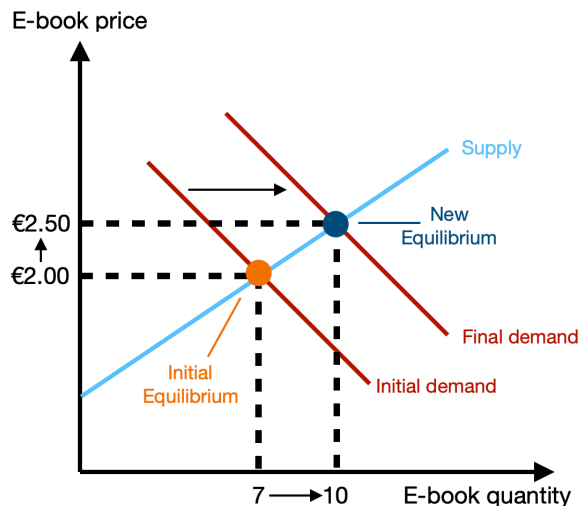
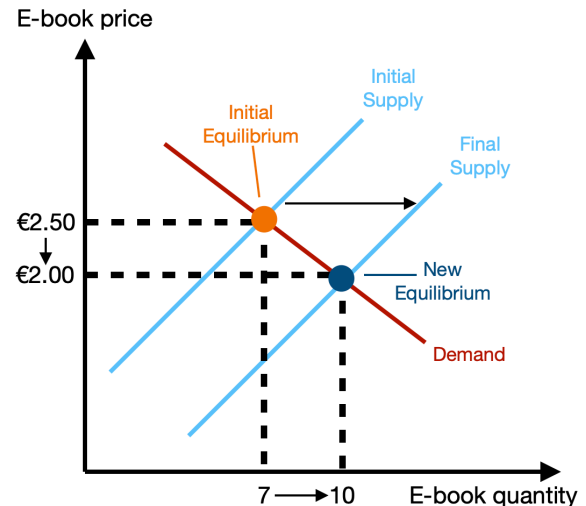


Consequences on the equilibrium price upon modification of supply/demand.



An advertising campaign manages to increase the demand of e-books, which results in a higher e-book price, and a higher quantity sold.



A decrease in commissions from Amazon increases the supply of e-books, which results in a lower e-book price, and a higher quantity sold

What influences will changes in demand have on equilibrium prices and quantities? With an unchanged supply curve, an increase in demand (= a curve shift to the right) will result in an increase in the equilibrium quantity and an increase in the price.

The modifications of the supply will also be accompanied by a modification of the price and of the equilibrium quantity: (with an unchanged demand curve), an increase of the supply will result in an increase of the equilibrium quantity and a fall in the price.

Johanna Etner, Meglena Jeleva, Microeconomics, © Dunod, 2018, for the new presentation, Malakoff.