

Microeconomics and the law of supply and demand assignment

[Economics](#), [Microeconomics](#)



This caused Goodlier to raise its rent to meet the growing demand for its available units. But as the demand for renting the units fell so did the demand. This meant Goodlier had to lower its rental price to meet the lesser demand for renting. This is a good example of microeconomics. When I looked at the simulation for examples of macroeconomics I found it when the government stepped in to put a cap on the rent amount. In the simulation there was a survey that showed individuals were living outside of Atlantis rather than renting a place in the city limits where they work.

As many of us do currently in our own lives we usually can't afford to live in the city or area where the best jobs are. Am a prime example, I commute 50 miles one way to work as it's where the best salary is. I live in an area where housing and rents are affordable and the overall cost of living is cheaper too. In the simulation, the government put a cap of \$1550 for the monthly rent of a two bedroom apartment. This was meant to allow middle class families and individuals the opportunity to live where they work. Because of the rent cap, Goodlier didn't rent out every apartment available as profits would not be able to keep up with the maintenance cost of having every unit rented. When we look at what a shift in supply and demand curve we see that clearly when Lenient Inc. Moved into Atlantis creating more jobs. As soon as intent did this it increased the population of Atlantis which was the shift in the supply curve. This was a negative impact for Goodlier as there was more population needing apartments and not enough two bedroom apartments available. The demand curve now goes up because of the population growth ND need for more apartments.

With Lenient moving into the city and the population now increasing the demand it means that the quantity demanded is now more than quantity supplied at the original equilibrium. This also caused a temporary shortage in the market of two bedrooms apartments in Atlantis. Rental rates went up due to the higher demand. Also quantity demanded decreased and quantity supplied increases which leads to a reduction of apartments or shortage of apartments. To get to the new equilibrium the adjustment needs to get between the new demand curve and the original supply curve.

When the new equilibrium is reached the rental rates are now higher than they were before. This also means that the number of apartments that are demanded and the supply of apartments has also increased. I can apply this supply and demand to my workplace job. When I have a customer that wants to ship more packages with us on a new daily bases I have to look at the new demand. Before their demand for shipping more I didn't need extra couriers and trucks to handle the days deliveries. Now with the new demand I have to get my supply of couriers and trucks at the last minute.

This causes me to have to spend more money to rent more vans and hire more employees. Overall my cost go up with the demand of more shipping packages, but so does my profit as I am able to use more supplies to handle the new demand. To better understand how the concept of microeconomics helps me understand the factors that affect shifts in supply and demand on the equilibrium price and quantity I have to look at the competitors and their prices. The bidding for the competition and where it comes across the equilibrium is the point at which the new equilibrium is now.

But under the IEE of macroeconomics it is seen when the jobs and population grew. This effected the increase and decrease on the available apartments. Now the equilibrium for rentals is higher then it was before the move in by Lenient. So is the number of apartments demanded and supplies has increased. In the simulation we saw how with lower prices meant that the demand was higher. But with the demand for apartments came higher prices. But if the price was to increase too much the demand for apartments would decrease.

. Colander (2013) university of