Others

[Literature](), [Russian Literature]()

Task: Macro and Micro Economics This essay presents the difference between a shift and movement along both the demand and the supply curve. Graphs will be used to clearly bring out the differences. See below.

Shift and Movement in the demand curve

In economics, demand is the amount of goods and services that customers are willing and able to purchase at a given time and market price, ceteris paribus (other factors held constant). Therefore, the demand curve is the graphical expression of the association between the quantity buyers are willing and able to purchase and the prevailing market prices. Movement in the demand curve is caused by the variation in the commodity prices. See below for a graphical explanation (Tucker 67-75).

In the above graph, DD is the demand curve. When the commodity prices decrease from P1 to P2, the quantity demanded by customers increase from Q1 to Q2, which is represented by a movement is the demand curve from point A to B. On the other hand, a shift in the demand curve is brought about by the changes in other factors affecting demand other than the price. They are taste, level of income and others. In the graph below, DD is the demand curve before any change. When the mentioned factors causes the demand to increase, the DD shifts to the right from DD to D1D1. The quantity demanded at P1 increases from Q1 to Q2 as shown in the graph below (Tucker 67-75).

Shift and Movement in the supply curve

In economics, supply is the amount of goods and services that suppliers are willing and able to supply to the market at a given price and time, ceteris paribus. Therefore, the supply curve represents the association between the quantity supplied and the prevailing market prices. In the graph below, SS is the supply curve. When commodity prices increases from P1 to P2, the quantity supplied increases from Q1 to Q2 and the movement along the supply curve is from point A to B (Tucker 67-75).

A shift in the supply curve is caused by factors other than price. They are the prices of factors of production among others. When the factors of production are cheaper, the quantity supplied increases leading to a shift in the demand curve from SS to S1S1. See the graph below (Tucker 67-75).

Works Cited

Tucker, Irvin B. Survey of Economics. Mason, OH: South-Western Cengage Learning, 2011. Print.