

# Supply and demand simulation

[Business](#)



The simulation reviewed demonstrates the fact that, shifts in the demand and supply curve occurred due to the price modifications.

The decrease in rental price of the apartments greatly affected the demand for the quantity of the available apartments. Conversely, the rental rates of the apartments increased the demand for the apartments. In order to stabilize the supply and demand, a shift either in supply or demand needs to take place. Affordable rental rates facilitated the readiness of people to pay. In case the people were ready to pay, the suppliers were ready and willing to build more apartments. Therefore supply increased.

It was the point where the shift in the supply curve occurred. Had there been a price shift, for example, the rental rates went up and at the same time the population declined in number, there would be a change in the equilibrium price and quantity. The situation therefore would be affected by these changes. In this case, though the prices would drop, the fall in the population would reduce the demand for apartments. This would result in a great number of apartments being vacant, leading to loss, thus a different resolution would have to be adopted. The resolution in this case would have to be the one that would have the supply and demand rise.

Together with that it would have to meet the needs of the customer who would find potential clients. Needs and preferences of the customer define the supply and demand of goods and services in the market. Using the example of contemporary military organization, I will demonstrate the usability of supply and demand curve. For example, this organization needs to find a good and effective way to reduce its staff from 202, 000 to 182, 000

till 2016. To reach the goal and have the staff members retire by will, different offers are being introduced, such as variety of appealing programs to early retirement with benefits.

Planning everything well and providing considerable benefits should attract a certain type of people that would accept the offer (supply). With anticipation that others would also accept the offer (demand) the organization would meet the deadline. In this simulation, I learned how supply and demand can have benefit from a positive shift. It gives a solution for big companies or organizations like this one to meet its demands without losing capital. Every time the shift in supply or demand curve occurs, it takes good judgment and professional skill to recognize one's competitor and come to a sound resolution.

Referring to the simulation, changes in the price of demand for goods influences the purchases of a customer, thus affects the pricing policies of the company. Customers are ready to pay the price for certain goods based on their preferences and the product availability. To conclude, the analysis demonstrates that the wise utilization of supply and demand laws in the company could greatly improve the company's performance and stability.