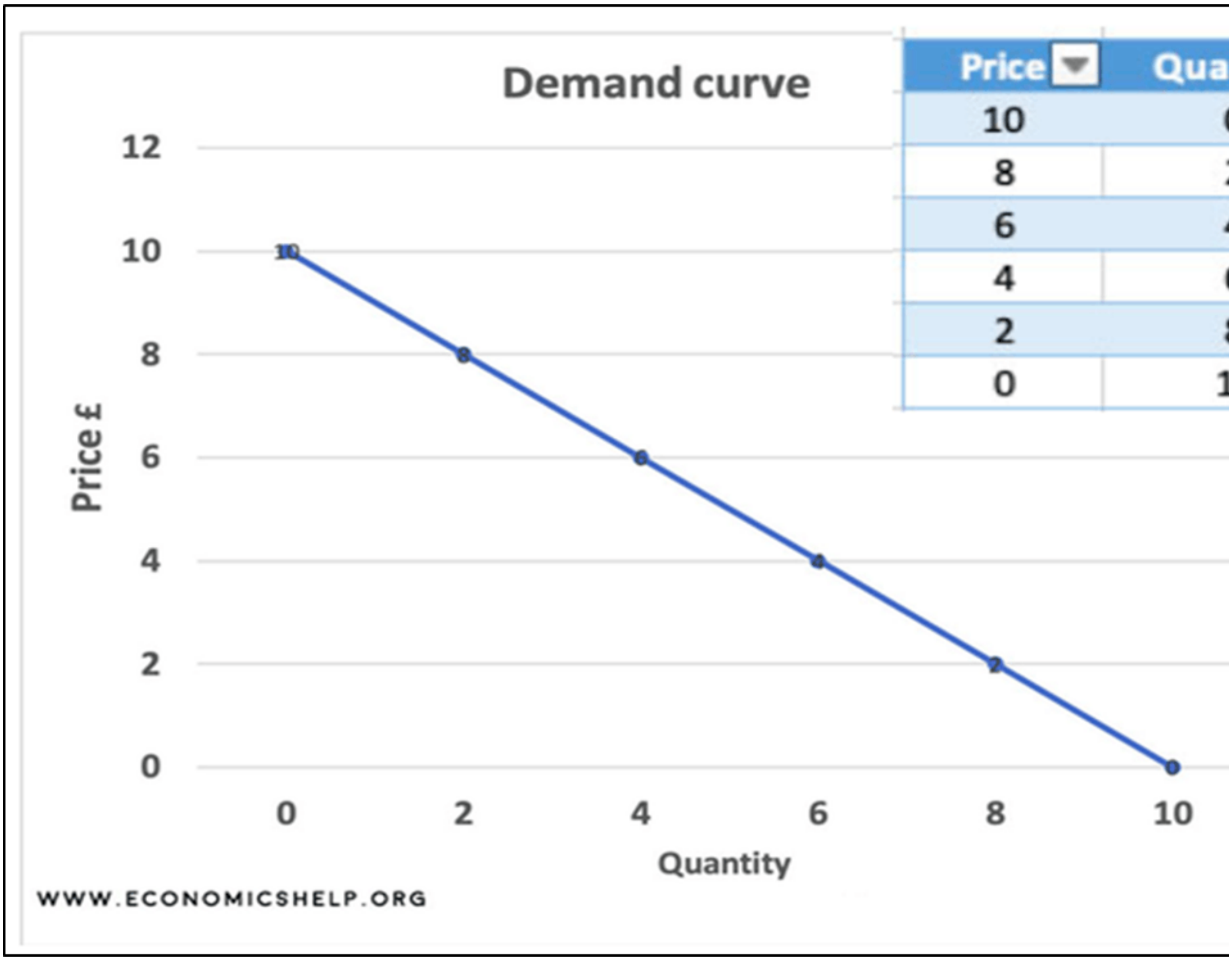
Examrace

Demand Curve Demand Curve of Quantity: What is Demand Curve with Examples

Demand curve of Quantity: What is a demand curve? (Economics)

What is a Demand Curve?

- A demand curve is a graph which shows the relationship between the price of a good and the quantity demanded at that price for a given period of time.
- The demand curve slopes downward from left to right i.e.. it has a negative slope because there is an inverse relationship between price and quantity demanded. This is the proposition of the law of demand.
- The law of demand states that as the price of a commodity decreases, the quantity demanded of that commodity increases and vice versa, citrus paribus (i.e.. other things remaining constant.)

- 

One or more combinations of price and quantity demanded of a commodity are plotted and after joining the plotted points, a demand curve is drawn.

- In the graph, the X axis represents the quantity demanded and the Y axis represents the price of the commodity.

- The table beside the graph shows the price of the commodity and its corresponding quantity demanded.
- We can see that when the price is ₹ 10, the quantity demanded is 0 units. Then, as the price *decreases* to ₹ 8, the quantity demanded *increases* to 2 units. Further, as the price decreases to ₹ 6, the quantity demanded increases to 4 units.
- In the graph, different combinations of price and quantity demanded are plotted and a downward sloping demand curve is drawn by joining all the points.
- This shows that there is a definite inverse relationship between price of a commodity and its quantity demanded.

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