

Economics 🕹 Society

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Previously in E&S		
* Budget constraint		
* Utility and preference		
* Optimal choice 🗈		
* Demand /The law of demar	d	
 Elasticity of demand % response of quantity to % 	change in price	
* Cross-price elasticity complements vs. substitutes		
★ Income elasticity		
normal vs. inferior	Lecture 3	L-2









Sumptions S. Free entry and exit S. Free entry and exit S. Free entry or exit must have no restrictions or barriers permits, prohibitions, access to resources, physical access to the market etc. Sellers may freely enter or exit the market this does not imply that a PC seller does not face fixed costs Sellers can easily switch from one supplier to another without any costs Markets that resemble a PC environment can be: stock markets, online marketplaces, farmers markets, hawker centers etc. e 2019-22 Kournes Merinalis, SMU











































 Thank you!

 You may stay for consultation or discussion

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WARNING!

The slides in this handout are created with the intention to serve a visual aid for the audience during the live presentation of the material in the lecture. As such, they are not designed to be standalone reading material and should be used strictly as reference, side by side with notes taken in the lecture. Studying solely from the slides is not recommended and might in some cases mislead those who have not attended the relevant lecture. Less than 20% of tasks in test and exam can be answered solely from the slides.

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