Quantity Supplied vs Supply and Quantity Demanded vs Demand

**Law of Supply:** All else equal, as price increases, quantity supplied increases.

**Things That Effect Supply**
- Cost rises, supply decreases.
- Taxes rise, supply decreases.
- # of Producers rise, supply rises.

**Law of Demand:** All else equal, as price increases, quantity demanded decreases.

**Things That Effect Demand**
- Income rises, demand rises.
- Preference rises, demand rises.
- Price of Complimentary Good rises, demand decreases.
- Price of Substitute rises, demand rises.

**Ex. If the price of chips decreases,**

1. What happens to the demand of dip?
2. What happens to the demand of chips?

**Ex. If the price of Coke decreases,**

1. What happens to the demand of Pepsi?
2. What happens to the demand of Coke?