**Microeconomics Vocabulary List**

1. What is Demand?
2. Demand Schedule
3. Demand Graph

* The demand curve slopes downward

1. Law of Demand
2. Change in Quantity Demand
3. Shift to the right is an increase/Shift to the left is a decrease

7. Determinants that cause the demand curve to shift

a. change in taste/fad

b. change in income

c. change in population

d. change in the price of a related good

- complements-

Ex>

-substitutes=

Ex>

Substitute Effect

1. Elasticity
2. Elastic Demand
   1. Examples
3. Inelastic Demand
   1. Examples
4. Supply
5. Supply Schedule
6. Supply Graph/curve

=supply curve slopes upwards

1. Law of Supply
2. Determinants of Supply shifting
   1. Technology
   2. Productivity
   3. Govt. regulations and deregulations
   4. Expectations (Producer)
   5. Cost of Inputs
   6. Taxes
   7. Number of Sellers
3. Elastic supply
4. Inelastic supply
5. Market Equilibrium/ Market Clearing Prices

-market failures

1. Surplus=
2. Shortage-
3. Price flooring
4. Price ceiling

**Business Organizations**

1. Sole Proprietorship

|  |  |  |
| --- | --- | --- |
|  | Advantages | Disadvantages |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

-assets

-unlimited liability

1. Partnerships

|  |  |  |
| --- | --- | --- |
|  | Advantages | Disadvantages |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. Corporations

Stocks-

Common stocks

Preferred stocks

Bonds-

Articles of Incorporations

|  |  |  |
| --- | --- | --- |
|  | Advantages | Disadvantages |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

-limited liability

-double taxation

1. Franchises
2. Non Profit Organization
3. Cooperative

**Market Structures**

1. Perfect Competition
   1. Characteristics

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- no barriers to entry

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2. Pure Monopoly

a. characteristics

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b. Types of Monopoly

i. natural monopoly

ii. geographical monopoly

iii. technological monopoly

-patents

iv. Government monopoly

\*\*\*cartels

-OPEC

3. Monopolistic Competition

a. characteristics

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- product differentiation

4. Oligopoly

a. characteristics

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- non price competition

**Mergers**

1. Mergers
2. Antitrust legislations
3. Horizontal mergers
4. Vertical mergers
5. Conglomerate