**UNIT ONE (Pt. II) AP TERMS**

Here is a list of terms and concepts that you will need to know and understand in order to help you on your test over these chapters. If you have any questions, don’t hesitate to ask.

**Rules Principles, Effects / Demand**

**DEMAND** **LAW DEMAND**

**QUANTITIY DEMANDED** DEMAND LINE or DEMAND SCHEDULE

CHANGE IN QUANTITY DEMANDED CHANGE IN DEMAND

UTILITY (UTILS) DIMINSHING EFFECT

INCOME EFFECT SUBSTITUTION EFFECT

**Determinants & Factors**

**DETERMINANTS OF DEMAND**

NORMAL GOODS

INFERIOR GOODS

SUBSTITUTE GOODS

COMPLEMENTARY GOODS

**Measurement of Demand**

ELASTICITY

INELASTICITY

PRICE ELASTICITY OF DEMAND

Price Elastic & Price Inelastic

TOTAL REVENUE

**Rules Principles, Effects, Determinants / Supply**

**SUPPLY**

**DETERMINANTS OF SUPPLY**

**LAW OF SUPPLY**

SUPPLY LINE or SUPPLY SCHEDULE

**QUANTITY SUPPLIED**

CHANGE IN QUANTITY SUPPLIED

CHANGE IN SUPPLY

PRICE ELASTICITY OF SUPPLY

**Conditions**

SHORTAGE **Balance of Supply & Demand**

SURPLUS EQUILIBRIUM

RATIONING EQUILIBRIUM PRICE

EQUILIBRIUM QUANTITY

**Acts of Government**

PRICE FLOOR

PRICE CEILING