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Essentials of Economics

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YouTube Title: “DJ Econ – “Demand and Supply” [HD]”

<http://www.youtube.com/watch?v=CouzZNjuyRM&feature=fvwrel>

Video Length: 2:41 minutes

Chapter 3: Supply and Demand, p. 50

Topic: Market Interactions, p. 52

Key Terms: Supply, demand, trade-offs, opportunity cost, market shortage, market surplus, demand curve, supply curve, marginal benefit

Learning Objective 2: Describe the nature of market demand and supply.

Summary

A rap composed by a student for his economics class in late 2009, the rap is an entertaining depiction of many key concepts in economics.

Economic Application

This humorous rap references many economic concepts including self-interest, incentives, the invisible hand, trade, supply and demand, and equilibrium.

Multiple-Choice Question

All but which ONE of the following statements is true about demand and supply?

- a) The intersection point of the two curves is called equilibrium.
- b) They are the two sides of each market transaction.
- c) A shortage exists at below equilibrium prices.
- d) They can shift when their underlying determinants change.

Discussion Question

DJ Econ says “price is different ‘cause it changes quantity instead.” What does he mean by this?