

THEORY OF DEMAND

Demand is the quantity of goods and services, which could be bought, by a consumer or consumers at a particular price within a given period in time. Demand is said to be effective when it is backed up by the consumer's willingness and ability to pay.

TYPES OF DEMAND

1. Joint demand (complementary): it is a type of demand that occurs when two or more commodities are required together to satisfy a particular want.
2. Derived demand : this is type of demand occurs with a commodities which are required for the production of other commodities and not for direct satisfaction
3. Competition demand : this occur with commodity that has close substitute
4. Composite demand this refers to the overall demand of various commodities

Laws of demand

The laws of demand states that the higher the price the lower the quantity demanded all things being equal and the lower the price the higher the quantity demanded