

# PRINCIPLES OF ECONOMICS

B. Com Hons Part-I

TOPIC -

Demand and Supply Basic  
framework

By - DEEPA KUMARI

P. G. Dept. of Commerce & BUSINESS  
MANAGEMENT

H. D. JAIN COLLEGE, Ara, Bhojpur,  
Bihar - 802301

## \* Demand & Supply Basic framework

### • Meaning of Demand :-

Demand is the willingness to purchase plus ability to pay for it at a particular price and at a particular point of time.  
Demand backed by adequate purchasing power.

In common use, the term 'desire', 'want' and demand are interchangeably used. There are two things in this definition. First, demand always refer to demand at a price. The term 'demand' has no significance unless it is related to price. Secondly, demand always means demand per unit of time. It may be a day, a week, a fortnight, a month or a year.

### • Definitions of Demand :-

① According to Pearson, "Demand is an effective desire. It implies three things: (i) desire to possess a thing (ii) Means for purchasing it and (iii) willingness to use these means for purchasing it."

Prof. Penson's definition is mainly related with necessities and unable to describe the features of demand. Further more, his definition is unable to distinguish between want and need. So, Penson's definition is not a complete definition of demand.

- ② According to Prof. J. S. Mill, "Demand is an amount of a thing at which a person is willing to buy it at a given price."
- ③ According to Benham, "The demand for any thing, at a given price, is the amount of it which will be bought per unit of time at that price".
- ④ According to Prof. Meyers, "The demand for a good is schedule of the amounts that buyers would be willing to purchase at all possible prices at any on instant of time."

The definitions given above contain the following five features of demand -

- (i) Desire for a good
- (ii) Sufficient resources to buy the goods.
- (iii) Willingness to spend
- (iv) Given price.
- (v) Given time period.