



SNS COLLEGE OF TECHNOLOGY

An Autonomous Institution

Coimbatore-35



Accredited by NBA – AICTE and Accredited by NAAC – UGC with ‘A+’ Grade
Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai

Department of Automobile Engineering

III YEAR/ VI SEMESTER

19MEE301 / Engineering Economics and cost Analysis

UNIT-2

Demand -Demand schedule

Demand :

The desire for a commodity of an individual or a group will be called their demand when they are able to pay for that commodity. That is demand is desire with account to pay.

In Benham’s words, “Demand for anything at a given price is the amount of it which will be bought per unit of time at that price.”

Another definition of demand is “By demand we mean the various quantities of a given commodity or service which the consumers would buy in a market in a given period of time at various prices or at various incomes or at various prices of related goods.”

Demand Schedule:

The demand schedule illustrates the relationship between price and quantity demanded by using a table of figures. The demand schedule generally consists of two columns: one for the price of a product and one for the quantity demanded at that price. The price column displays different price levels arrayed from lowest to highest or vice versa while the quantity demanded column displays the quantity of that good or service demanded at each price level. The demand schedule for most products will show a reduction in quantity demanded as the price increases.

The two types of demand schedules are explained as follows:

Individual demand schedule:

Refers to a tabular representation of quantity of products demanded by an individual at different prices and time.

Table-1 shows the individual demand schedule of product a purchased by Mr. Ram:

Price of A (per kg in ₹)	Quantity Demanded (per week in kgs)
10	15
15	10
20	8
25	4
30	2

Following are the characteristics of individual demand schedule:

- a. Demonstrates the effect of changing price on the buying behavior of customers rather than change in the demand for a product.
- b. Expresses the disparity in demand with the difference in the product’s price.
- c. Represents that at higher prices the quantity demanded reduces and vice versa.

Market demand schedule:

Shows a tabular representation of quantity demanded in aggregate by individuals at different prices and time. Therefore, it demonstrates the demand of a product in the market at different prices. The market demand schedule can be derived by aggregating the individual demand schedules.

Table-2 represents the market demand schedule prepared through the individual demand schedule of three individuals:

Price of A (per unit in ₹)	Individual Demand (per day)			Market Demand (per day)
	X	Y	Z	
4	1	3	4	8
3	3	4	5	12
2	4	5	6	15
1	5	9	9	23

Market demand schedule also demonstrates an inverse relation between the quantity demanded and price of a product.