

Lesson1: The Laws of Supply and Demand – With Evaluations and Comparisons with adjectives

Subject: Economics / Business English

1. Introduction (Economics + Adjectives)

In a market economy, prices are determined by two main forces: demand and supply.

We can describe this with adjectives:

- Prices are high or low.
- Markets can be competitive, inefficient, stable, or volatile.

Examples with adjectives:

- “The price of fuel is too high this month.”
- “The housing market is very unstable.”

2. The Law of Demand – Using Comparisons

Grammar focus: comparative and superlative adjectives

When demand changes, we naturally use comparisons.

Basic structure

- **Comparative:**
 - *Higher* price → *lower* demand
 - *Cheaper* alternatives attract *more* customers
- **Superlative:**
 - “This is the *cheapest* smartphone on the market.”
 - “This service is the *most convenient*.”

Example sentences

- “When the price is higher, the quantity demanded becomes lower.”
- “Online shopping is more convenient than traditional shopping.”
- “This product is less expensive than the competitors’.”

3. The Law of Supply – Evaluations with Adjectives

Producers react to prices with evaluations and degrees of willingness to sell.

Useful adjectives

- Profitable / unprofitable
- Attractive / unattractive
- Lucrative / risky

Example sentences

- “At higher prices, it is more profitable to increase supply.”
 - “At low prices, the market becomes less attractive for producers.”
 - “This is the most attractive price for suppliers.”
-

4. Market Equilibrium – Comparing States

Equilibrium is the point where demand = supply.

Vocabulary with adjectives

- A balanced market
- A stable price
- A distorted or unstable market

Comparisons

- “When there is a shortage, the market is less balanced than at equilibrium.”
 - “A surplus makes the market more unstable than in equilibrium.”
-

5. Grammar Section – Evaluations and Comparisons

1. Comparative adjectives

- For one- or two-syllable adjectives: add *-er*
 - cheap → *cheaper*
 - high → *higher*
 - low → *lower*
- For longer adjectives: use *more / less*
 - profitable → *more profitable*
 - attractive → *more attractive*

2. Superlative adjectives

- Use *the + adjective-est* or *the most + adjective*
 - “This is the lowest price available.”

- “This is the most profitable opportunity.”

3. Negative comparisons

- “The smaller the demand, the lower the price.”
- “The higher the price, the lower the quantity demanded.”

6. Vocabulary (Business English)

English	Meaning (simple)
Demand	How much buyers want to buy
Supply	How much sellers want to sell
Equilibrium	Balance point of demand and supply
Shortage	Need more than is available
Surplus	More than is needed
Price mechanism	How prices adjust so demand and supply balance