METHODS OF PRICING ACCORDING TO THE LAW OF SUPPLY AND DEMAND

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Annotation: This work highlights the historical development of the theory of supply and demand, its place in the system of Economic Thought and its practical significance. The article analyzes theoretical principles formulated by economists such as Aristotle, Adam Smith, David Ricardo, Alfred Marshall. Also, the essence of the laws of supply and demand, their interdependence, their impact on market equilibrium and the methods of pricing are explained by practical examples.ation: this work highlights the historical development of the theory of supply and demand, its place in the system of Economic Thought and its practical significance. The article analyzes theoretical principles formulated by economists such as Aristotle, Adam Smith, David Ricardo, Alfred Marshall. Also, the essence of the laws of supply and demand, their interdependence, their impact on market equilibrium and the methods of pricing are explained by practical examples. The diagrams analyzed supply and demand curves, price equilibrium, and price differences across regions. The study found that supply and demand laws play an important role in ensuring resource allocation and price stability as the primary mechanism of a market economy.

Keywords: supply, supply, market economy, price, balance, law of demand, law of supply, price fixing, economic theory, Alfred Marshall, Adam Smith.

Historical development of supply and demand theory The historical development of the theory of supply and demand is an important stage in the development of Economic Thought and market relations. While this theory dates back to antiquity, its transformation into a systematic theory dates back to the 18th and 19th centuries.

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Aristotle and other ancient scientists studied the concepts of exchange and value, but the emergence of the concepts of supply and demand as the main factors in determining the price of the market occurs later.The historical development of the theory of supply and demand is an important stage in the development of Economic Thought and market relations. While this theory dates back to antiquity, its transformation into a systematic theory dates back to the 18th and 19th centuries. Aristotle and other ancient scientists studied the concepts of exchange and value, but the emergence of the concepts of supply and demand as the main factors in determining the price of the market occurs later.In 1767, James Denham-Steuart first coined the term "supply and demand" (supply and demand). Adam Smith, in his famous work "the wealth of the bailiffs"in 1776, argued that the price of goods depended on the balance of supply and demand. Later, Thomas Malthus, David Ricardo and other economists contributed to the strengthening of supply and demand laws.In 1838, Antoine Augustin Courno analyzed supply and demand on a mathematical basis. Alfred Marshall, on the other hand, argued that he systematized the theory of the laws of supply and demand in a qualitative way, making them important in economic analysis.The development of the theory further deepened the concepts of price and equilibrium in a market economy, helping to understand the dynamics between supply and demand. Thus, the theory of supply and demand was formed in economics as one of the basic principles of resource distribution, production and consumption.

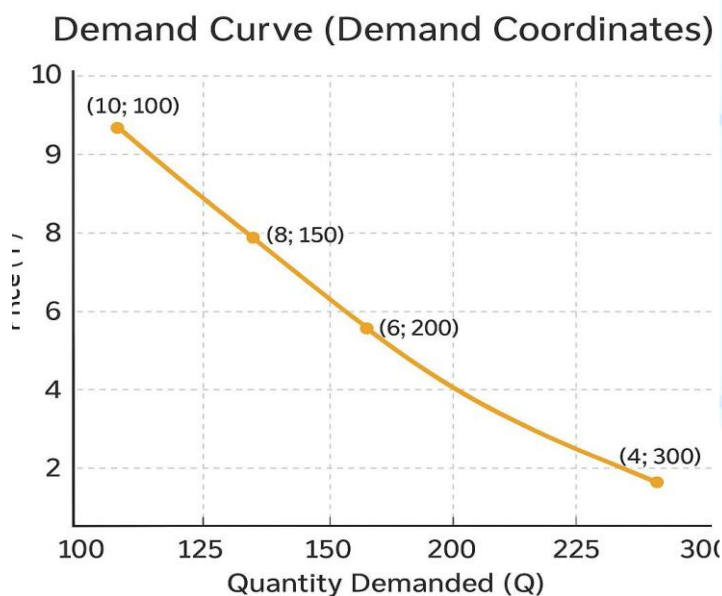
Law of demand. The law of demand is one of the basic concepts of a market economy that represents the inverse relationship between demand for goods or services and their prices. According to the law of demand, in the event that other conditions do not change, when the price of a good increases, its required amount decreases, and if the price decreases, demand increases. This law explains the quantitative relationship between demand and price and can be shown in the form of a demand curve graph.The concept of demand is the part of the need that is endowed with money, that is, the need that consumers are able to buy at a certain price. Demand is not just a desire or desire, it also needs a lack of money. The main factors that shape demand: the price of goods

(the main factor)the income of consumers is similar, and the price level of substitute goods, customs and psychological factors of future expectations the impact of price changes on demand within the framework of the law of demand is measured using demand elasticity. It is considered elastic if the demand in relation to the price changes significantly, otherwise it is called inelastic.The law of demand plays an important role in the formation of market prices and in ensuring economic balance, since it controls consumer purchasing behavior and the effective distribution of resources. Practical examples of the law of demand and explanations in everyday life will be as follows:when prices increase, demand decreases:

LAW OF SUPPLY

$Q_s = f(P)$

Q_s – quantity supplied
price



For example: when the price of a type of vegetable or fruit increases, people will refrain from buying it more or switch to cheaper alternatives. This is a simple and common example of demand law. With this, demand increases when the price drops.The cost of most demanded products will be high: the cost of daily needs, such as phones, clothes, food products, will change in accordance with demand. , an increase or decrease in the cost of fashionable clothing affects the demand they have qiladi.To ' reducing goods: if the price of pepsi increases, people tend to drink more Cola because

these goods are interchangeable. an increase or decrease in the cost of fashionable clothing affects the demand they have qiladi.To ' reducing goods: if the price of pepsi increases, people tend to drink more Cola because these goods are interchangeable. In this case, an increase in the price of pepsi will reduce the demand for Pepsi, and the demand for cola ortadi.To price and demand in plam goods: if the price of strawberries increases, the demand for jam made from strawberries decreases, since mainly strawberry jam is made, and the main raw materials have become more expensive.An example of a Giffen good: sometimes there are also cases contrary to the law of demand. Even if the price of potatoes increases for poor families, the demand for it does not decrease, but rather increases, since the possibility of buying other expensive goods decreases.Income dependence: when consumers ' income increases, their desire to buy more products arises, and this increases demand, but rather demand decreases when income decreases.These examples explain how the law of demand applies in everyday life. Under the law of demand, it is clear that there is an inverse relationship between price and demand, but this relationship can also be influenced by other factors practical examples of the law of demand and its explanations in everyday life: demand decreases when prices increase

Law of proposal. The law of supply is a fundamental principle of economic theory, according to which, as the price of a product or service increases, its supply amount increases; and when the price decreases, the amount of supply decreases. In other words, there is a direct relationship between the price and the amount of supply, and when the price rises, manufacturers increase the production of products and the offer to the market, and when the price falls, they decrease. It shows an incentive for legislators to increase revenue and expresses that the volume of supply is price sensitive.The law of supply can be influenced by the following factors:prices of resources (increased supply, increased supply)technologies (improved supply increases)taxes and subsidy policies (reduced taxes reduce supply, while subsidized increases)sellers in the market sonikelajak prices and expectations for economic conditions, production costs. The main content of the supply law is that price increases

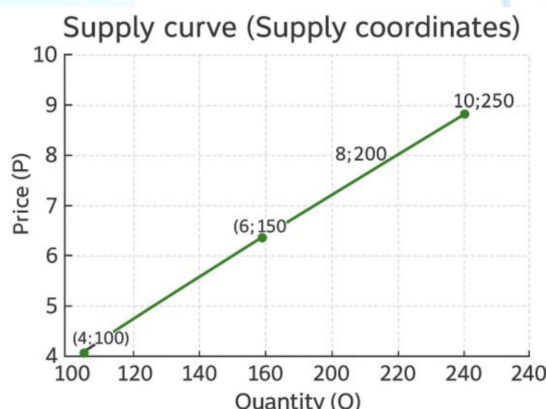
encourage manufacturers to produce and sell more products, resulting in an increase in the amount of supply. And when prices fall, on the contrary, the offer decreases. This law causes the proposal curve to bend upward ladi.Ba ' while some economists suggest that the supply curve for mass-produced goods may be downward sloping, as unit prices may fall as production increases.In general, the law of supply expresses how manufacturers and suppliers in the market respond to price changes and is one of the fundamental principles of a market economy.

LAW OF DEMAND

$$Q_a = f(P)$$

Q_D – quantity demanded

price



A shift in the supply curve represents a change in the quantity supplied due to factors other than price. The displacement of the curve can be in two directions: a shift to the right or a shift to the left.The main factors affecting the displacement of the supply curve are:changes in the cost of resources:if the cost of raw materials, labor and other resources decreases, production costs decrease and the supply curve shifts to the right (the supply increases).For example, when the price of cotton decreases, cotton fiber manufacturers can offer more products.Development of production technology: new technologies increase production efficiency and increase supply.This will cause the bid curve to shift to the right.Tax and subsidy policy: when taxes increase, production costs increase and supply decreases (the curve shifts to the left).Subsidies, on the other hand, increase the supply by encouraging manufacturers (the curve shifts to the right).cotton fiber manufacturers can offer more products.Development of production technology: new technologies increase production efficiency and increase

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supply.This will cause the bid curve to shift to the right.Tax and subsidy policy: when taxes increase, production costs increase and supply decreases (the curve shifts to the left).Subsidies, on the other hand, increase the supply by encouraging manufacturers (the curve shifts to the right).Price of other goods: When the price of complementary goods increases, manufacturers can reduce or increase the supply.For example, when the price of cotton increases, the anti-cotton offer for silk production may decrease.Expectation of price change: if the price is expected to increase in the future, manufacturers now try to offer more, the curve shifts to the right.Number of sellers on the market: when there are more sellers, the offer increases.manufacturers can reduce or increase the supply.For example, when the price of cotton increases, the anti-cotton offer for silk production may decrease.Expectation of price change: if the price is expected to increase in the future, manufacturers now try to offer more, the curve shifts to the right.Number of sellers on the market: when there are more sellers, the offer increases.Example: if a new automated technology is introduced, production costs will decrease and thus the supply curve will shift to the right — more products are offered at the same price.On the contrary, if the tax is increased or the cost of labor rises, production becomes more expensive, the supply decreases and the curve shifts to the left. In this case, at the same price, manufacturers offer fewer products.Pricing methods vary depending on the market conditions, costs, and competition for a product or service. The full information is as follows:cost-based pricing: the simplest method is to add profit at a certain percentage to the cost of the product (raw materials, production, costs).Example: if a 30% premium is added to a product with a cost of 10,000 soums, the price will be 13,000 soums.Disadvantages: competition in the market and product value may not be taken into account.ormation is as follows:cost-based pricing: the simplest method is to add profit at a certain percentage to the cost of the product (raw materials, production, costs).Example: if a 30% premium is added to a product with a cost of 10,000 soums, the price will be 13,000 soums.Disadvantages: competition in the market and product value may not be taken into account.Competition-based pricing: Competitors' prices are monitored. Deposits adjust

their product prices to match competitors' prices, can make it cheaper or more expensive.It is used in conditions of high market competition.Value-based pricing: based on the benefits and benefits that the product offers to consumers.Applicable for high quality, premium products.Psychological pricing: setting price from a psychological point of view (e.g., 9,999 instead of 10,000).Provides for easy admission to buyers.Market entry strategy: to quickly enter the market and build a customer base by making the price lower.The price can then be raised.Market segmentation-based pricing:Set different prices for different segments (for example, depending on demand, depending on the purchasing power of the buyer).Pricing for special occasions: discounts, promotions, seasonal price changes.In general, in the process of pricing:the cost of products and costs are taken into account.Competition in the market and the price of competitors are studied.Consumer demand and product value are taken into account.Market conditions and company goals are analyzed.Set different prices for different segments (for example, depending on demand, depending on the purchasin.Practical pricing formulas for application are widely used in many economic and marketing practices. The most basic and practical formulas are:cost – based pricing:here:[cost] – production costs of a product or service,[profit] - the part of income added to the cost.When profit is set in percentage:for example, the cost is 1000 soums, while the percentage of profit is 30%, the price will be [1000 \times 1.3 = 1300] soums.The most basic and practical formulas are:cost – based pricing:here:[cost] – production costs of a product or service,[profit] - the part of income added to the cost.When profit is set in percentage:for example, the cost is 1000 soums, while the percentage of profit is 30%, the price will be [1000 \times 1.3 = 1300] soums.Alignment with market price or competition price: here [\Delta] - the amount that the company wants to add or reduce.Psychological pricing: this is not just a mathematical formula, but a price based on psychological impact.Formulas for profit maximization (in economic theory):here: [\pi] - profit, [TR = P \times Q] - total income (product of price and quantity sold), [TC] - total cost.In these systems, the goal is to maximize profit, and its solution is used to determine the price.In practice, most

businesses use the above formulas in combination to determine the optimal price based on market status, costs, competition, and income targets.Also, when setting a price, the presence of regulations and regulations of state regulation is taken into account.

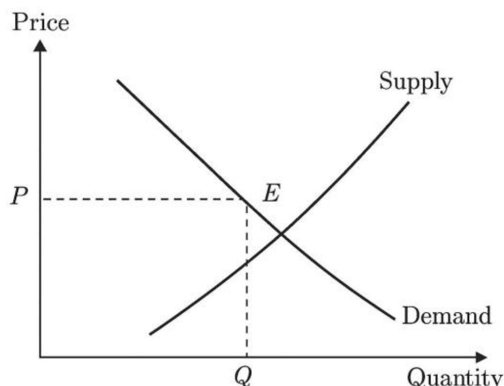

Diagram explanation In the diagram, the vertical axis represents the price and the horizontal axis represents the amount of goods or services sold through the market. These two axes form the basic coordinates to explain the economic balance. The demand curve is downward, which indicates that as the price increases, consumers buy less goods,and when the price decreases, they buy more.iagram explanation In the diagram, the vertical axis represents the price and the horizontal axis represents the amount of goods or services sold through the market. These two axes form the basic coordinates to explain the economic balance. The demand curve is downward, which indicates that as the price increases, consumers buy less goods,and when the price decreases, they buy more. This situation shows that there is an inverse relationship between price and demand. The supply curve is in the upward direction. This means that when the price rises, manufacturers tend to produce more products and offer it in the market, while when the price decreases, manufacturers reduce the volume of supply. Hence, there is a direct relationship between price and supply. These two curves intersect at point E. Point E represents market equilibrium. It is at this point that the amount of demand is equal to the amount of supply. In this case, the price is stable, and neither excess product nor product shortages are observed in the market. The price corresponding to point E is denoted by the letter P, while the amount in equilibrium is

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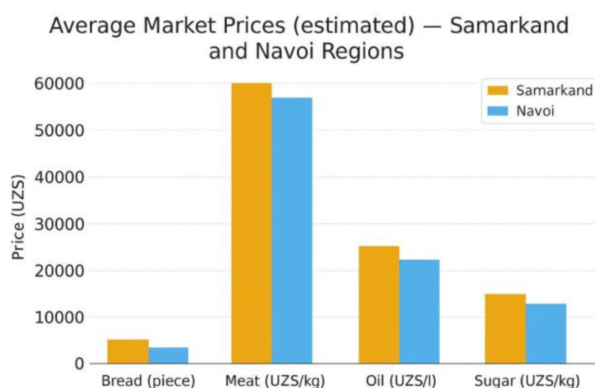
denoted by the letter Q. If the market price is higher than the P level, a supply surplus occurs. In this situation, manufacturers offer a lot of products, but consumers reduce their purchase. As a result, the price gradually falls, and the market returns to equilibrium. On the contrary, if the price is below the P level, a demand surplus occurs, which means that consumers want to buy more products, but manufacturers cannot offer it in sufficient quantities. In doing so, the price increases and the balance is restored again.Thus, market price is always formed as a result of the interaction of supply and demand forces. The curves in the diagram show the main mechanism of the market economy – the process of self-regulation of price. This mechanism acts as an "invisible hand" in the words of Adam Smith, that is, it keeps the market in an equilibrium position.



The diagram shows the prices of the main food products in Samarkand and Navoi regions-bread, meat, oil and sugar. According to the results of the analysis, prices between the two regions do not differ sharply, but there is a slight discrepancy in some products. The price of bread is an average of 6 thousand rubles in both provinces, which is due to measures to maintain price stability by the state. shows the prices of the main food products in Samarkand and Navoi regions-bread, meat, oil and sugar. According to the results of the analysis, prices between the two regions do not differ sharply, but there is a slight discrepancy in some products. The price of bread is an average of 6 thousand rubles in both provinces, which is due to measures to maintain price stability by the state. The price of meat is around 65,000 soums in Samarkand and 60,000 soums

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in Navoi, and the difference is explained by the difference in demand and population. The cost of oil was 22,000 in Samarkand and 21,000 in Nawai, while sugar was around 12,000 in both regions. In general, prices are stable, and differences are determined by transport, demand and seasonal factors.

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