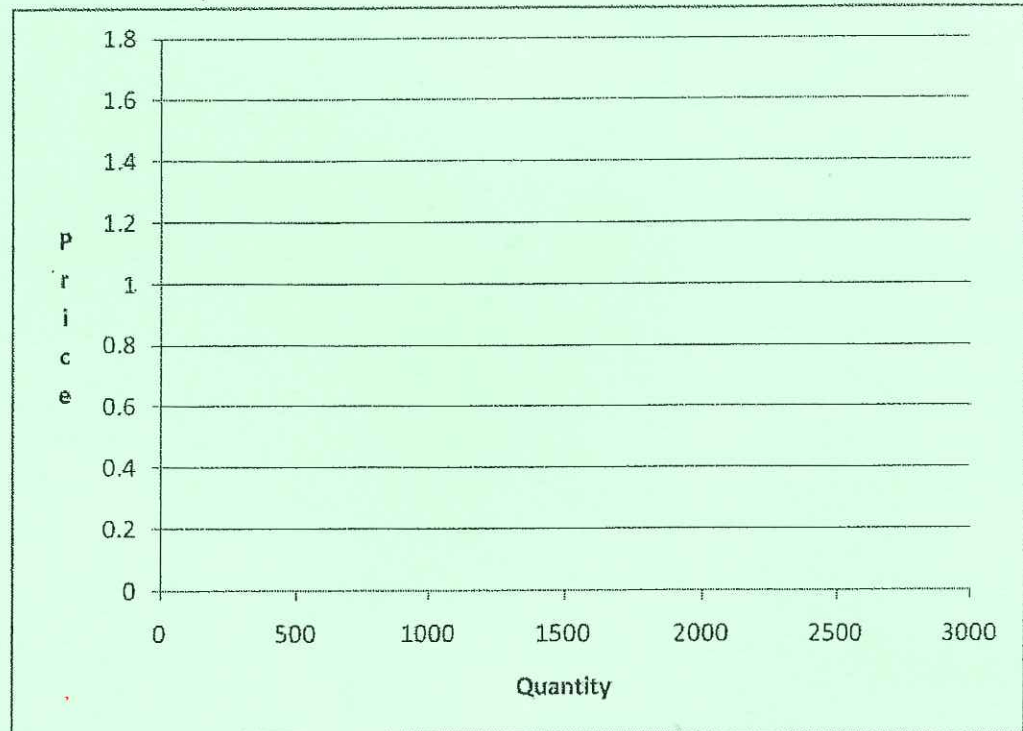


Supply Curve Worksheet

Quantity Demanded (monthly)	Price (dollars)
3000	\$1.60
2500	\$1.40
2000	\$1.20
1500	\$1.00
1000	\$0.80
500	\$0.60



Examine the supply schedule and plot the supply curve. Then answer the questions that follow.

1. If the price is \$1.20, how many will be offered for sale? _____
2. If the quantity offered is 2500, what is the price? _____
3. What effect does the price seem to have on the quantity offered for sale?

4. Calculate total revenue (price X quantity):

- a. if the price is \$1.00. _____
- b. if the quantity is 1000. _____

Name: _____

Class: _____

Law of Supply Worksheet

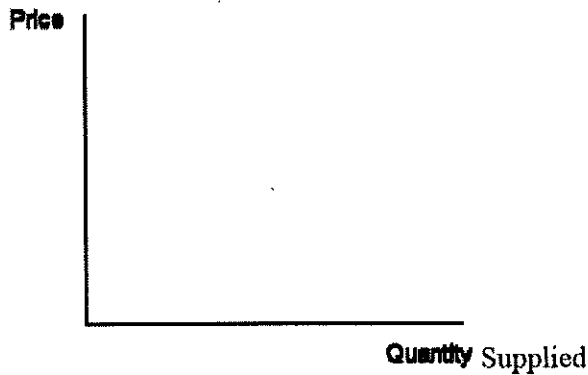
Answer the following questions:

Steps to determining a supply curve:

1) Which group are we talking about with supply curves, producers or consumers?

2) What is the relationship between price and the quantity supplied? (If price is set high then what is the effect on the quantity supplied)

3) Demonstrate this relationship of price and quantity supplied using the graph below: (Which direction does the curve follow for quantity supplied?)



4) Following the model for quantity supplied demonstrated in the graph above, come up with the quantity demanded and complete this supply schedule? (You can pick any quantity supplied as long as it fits the relationship between price and quantity supplied)

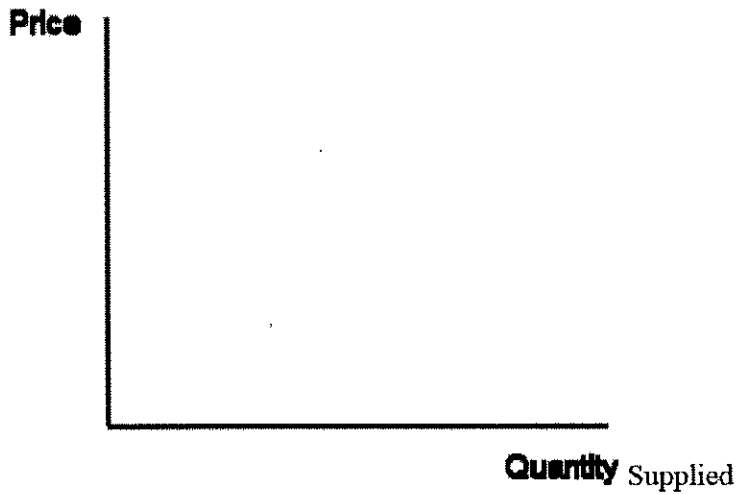
Price	Quantity Supplied
\$50	_____
\$40	_____
\$30	_____
\$20	_____

5) Why would the supplier want to keep the supply low for a lower prices? What is the supplier after?

Using the following Supply Schedules to plot the supply curves. Fill in the prices on the y-axis labeled Price, and the quantity supplied on the x-axis labeled Quantity Supplied.

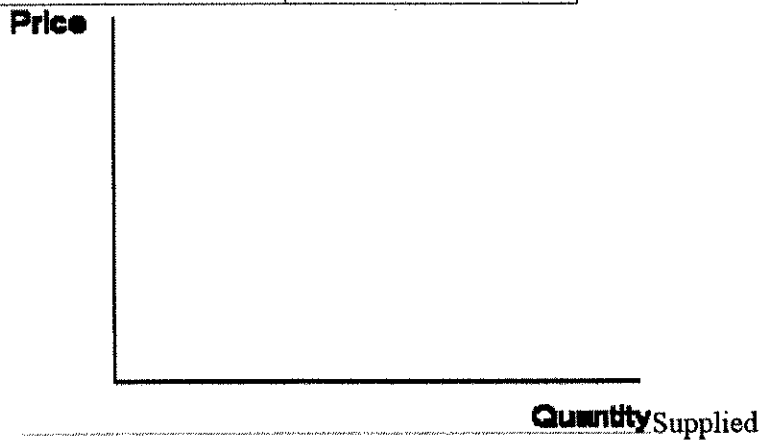
1. Supply Schedule of a pair of Nike Air Jordan Retro XI

Price	Quantity Supplied
\$140	100
\$120	80
\$100	60
\$80	40
\$60	20



2. Supply Schedule for a Blackberry Storm Cell Phone

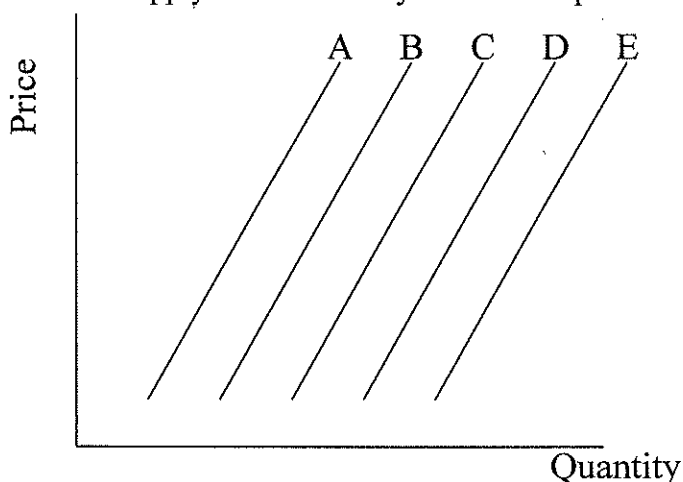
Price	Quantity Supplied
\$150	100
\$125	75
\$100	50
\$75	25



Application of Supply

1. The law of supply states that when the price increases, the quantity supplied will _____.
2. When the price decreases, the quantity supplied will _____.
3. For each determinant, give an example of what would shift the supply curve to the right.
 - a. Resources-
 - b. Expectations (producers)-
 - c. Number of producers-
 - d. Taxes and Technology-
 - e. Subsidies-
4. For each determinant, give an example of what would shift the supply curve to the left.
 - a. Resources-
 - b. Expectations (producers)-
 - c. Number of producers-
 - d. Taxes and Technology-
 - e. Subsidies-
5. An increase in the price of hay would cause the supply of beef to _____.
Which determinant causes this change?
Draw a graph showing the change in supply.
6. The government has lowered taxes on cattle ranchers; the supply of beef will _____.
What determinant of supply causes this change?
Draw a graph showing the change.
7. Mattel expects the new Barbie to be the "IT" toy at Christmas; the supply of Barbie will _____.
What determinant causes this change?
Draw a graph showing the change in supply.
8. The peanut butter manufacturers are all buying equipment that can make peanut butter two times faster than before; the supply of peanut butter will _____.
What determinant of supply causes this change?
Draw a graph showing the change in supply.
9. There was a massive forest fire that ravaged the Pine Belt; the supply of new homes will _____.
What determinant of supply causes this change?
Draw a graph showing the change in supply.

Read the following eight newspaper headlines. For each, decide if the event will cause a change in the supply of cars. For each change, fill in the blank next to supply indicating if it will increase or decrease. Then, write which supply curve you would shift to. Finally, state what determinant of supply caused the shift. Start on Supply Curve C after you have completed the example as a class.



Example: Auto Workers Agree To Pay And Benefit Cuts

- Supply will _____.
- The new supply curve will be curve _____.
- What determinant of supply caused the shift? _____.

10. New Technology Increases Factory Efficiency

- Supply will _____.
- The new supply curve will be curve _____.
- What determinant of supply caused the shift? _____.

11. Autoworkers Strike Nationwide

- Supply will _____.
- The new supply curve will be curve _____.
- What determinant of supply caused the shift? _____.

12. Government Offers \$3500 For Older Model Trade-ins; Producers Expect Sales Increase

- Supply will _____.
- The new supply curve will be curve _____.
- What determinant of supply caused the shift? _____.

13. Steel Prices Rise 10 Percent

- Supply will _____.
- The new supply curve will be curve _____.
- What determinant of supply caused the shift? _____.

14. Large Auto Producers Go Bankrupt

- Supply will _____.
- The new supply curve will be curve _____.
- What determinant of supply caused the shift? _____.

15. The State of Texas Lowers the Sales Tax on both New and Used Cars

- Supply will _____.
- The new supply curve will be curve _____.
- What determinant of supply caused the shift? _____.

16. Government Offers Subsidy Payments To Auto Producers That Make Hybrid Cars

- Supply will _____.
- The new supply curve will be curve _____.
- What determinant of supply caused the shift? _____.

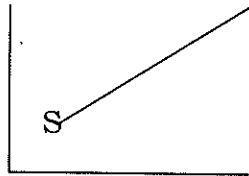
SUPPLY WORKSHEET

1. The law of supply states- when price increases, the quantity supplied will _____ . When price decreases, the quantity supplied will _____ . We look at supply from the _____ point of view.

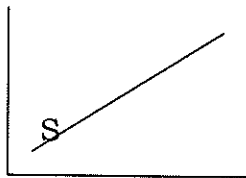
2. Define diminishing returns-

Give an example of diminishing returns-

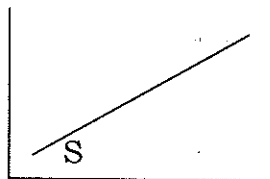
3. Suppose there is an increase in the price of cattle feed. This will cause the supply of beef to (**increase / decrease**). Which determinant of supply causes this change? _____. Which way will the supply curve shift? (**right / left**) Draw the new supply curve and label it S1



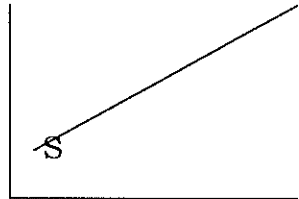
4. A terrible blizzard destroys the herds of most ranchers in the western U.S. This will cause the supply of beef to (**increase / decrease**). What determinant of supply causes this change? _____ Which way will the supply curve shift? (**right / left**). Draw the new supply curve and label it S2.



5. The peanut butter manufacturers are expecting an unusually large peanut crop this year. This will cause the supply of peanut butter to (**increase / decrease**). What determinants causes this change? _____. Which way will the supply curve shift? (**right / left**). Draw the new supply curve and label it S3.



6. The peanut butter manufacturers are all buying equipment that can make peanut butter two times faster than before. This will cause the supply of peanut butter to (**increase / decrease**). What determinants causes this change? _____. Which way will the supply curve shift? (**right / left**). Draw the new supply curve and label it S4.



Use the graph to complete questions 7 - 9

7. Plot the points for the supply curve and label the line S1

P	Q
2.00	3
4.00	6
6.00	8
8.00	10
10.00	12

8. Plot the points for the supply curve and label the line S2

P	Q
1.00	2
3.00	4
5.00	5
6.00	8
7.00	10

9. Does a shift from S1 to S2 reflect an increase or a decrease in Supply?