

Name: _____

Class: _____

Law of Supply Worksheet

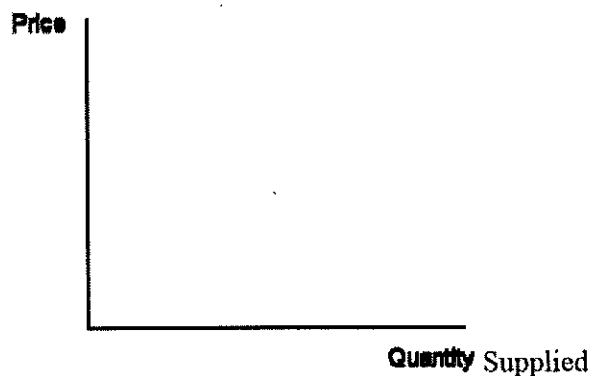
Answer the following questions:

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)

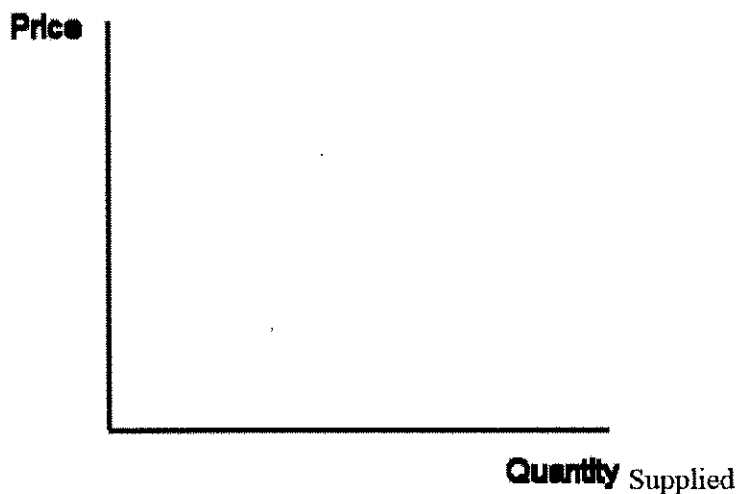
Price	Quantity Supplied
\$50	_____
\$40	_____
\$30	_____
\$20	_____

- 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.

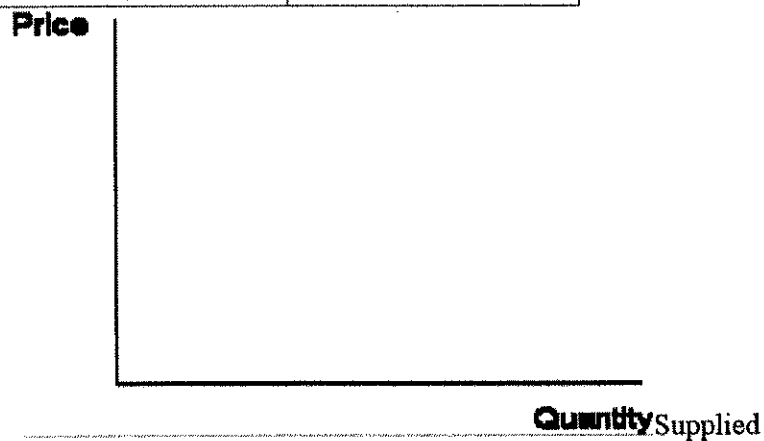
1. Supply Schedule of a pair of Nike Air Jordan Retro XI

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



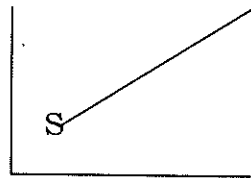
SUPPLY WORKSHEET

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.

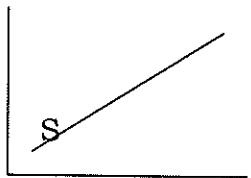
2. Define diminishing returns-

Give an example of diminishing returns-

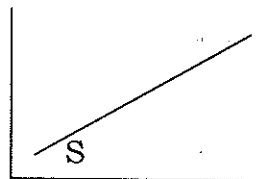
3. Suppose there is an increase in the price of cattle feed. This will cause the supply of beef to (**increase / decrease**). Which determinant of supply causes this change? _____. Which way will the supply curve shift? (**right / left**) Draw the new supply curve and label it S1



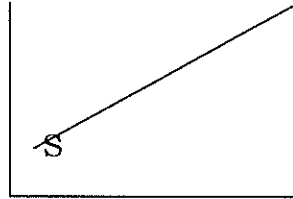
4. A terrible blizzard destroys the herds of most ranchers in the western U.S. This will cause the supply of beef to (**increase / decrease**). What determinant of supply causes this change? _____. Which way will the supply curve shift? (**right / left**). Draw the new supply curve and label it S2.



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?