**The Basics of Supply: Guided Notes**

**Supply refers to:**

**The Law of Supply:**

**Why are price and quantity supplied positively (directly) related?**

**Supply Curve**

****

**Movement Along a Supply Curve**

****

**Determinants of Supply:**

**Factors That Can Shift the Supply Curve Are Changes in:**

*

**The Basics of Supply: Guided Notes (continued)**

**Practice Problems:**

1. What would happen to the supply of pizza if more businesses enter the pizza market?

* Determinant?
* Increase or decrease in supply?

2. What would happen to the supply of Nike shoes if there is an increase in the cost of rubber?

* Determinant?
* Increase or decrease in supply?

3. A new technology is invented that allows factories to produce energy drinks more efficiently.

* Determinant?
* Increase or decrease in supply?
	1. A company that makes video games pays their workers the minimum wage. The government passes a law that increases the minimum wage businesses can pay workers.
* Determinant?
* Increase or decrease in supply?

5. A computer company finds out a competitor is planning to sell a new and improved type of computer.

* Determinant?
* Increase or decrease in supply?

**Movement Along a Supply Curve Means…**

**A Shift of the Supply Curve Means….**

**The Basics of Supply: Guided Notes (continued)**

**Putting the Story and the Picture Together**

**Original Prices New Prices**

|  |  |
| --- | --- |
| **Quantity supplied of pizza per week (by millions)** | **Price of pizza** |
| **9** | **$3.00** |
| **14** | **$6.00** |
| **19** | **$9.00** |
| **25** | **$12.00** |
| **30** | **$15.00** |
| **---** | **$0.00** |

|  |  |
| --- | --- |
| **Quantity supplied of pizza per week (by millions)** | **Price of pizza** |
| **15** | **$3.00** |
| **20** | **$6.00** |
| **25** | **$9.00** |
| **30** | **$12.00** |
| **35** | **$15.00** |
| **---** | **$0.00** |

****