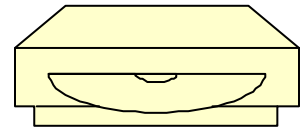


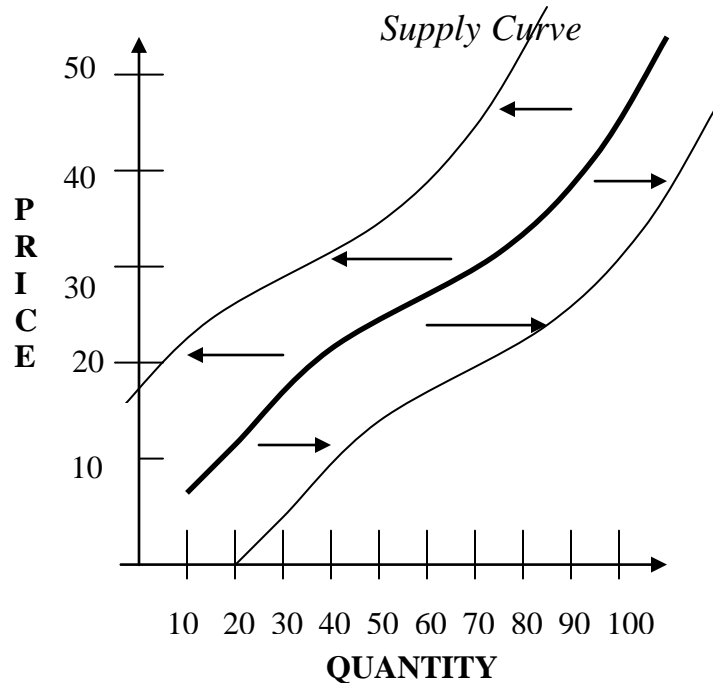
# SUPPLY



Example: SOFTWARE HOUSE

*Supply Schedule*

Price	Quantity
\$50	100
\$40	90
\$30	70
\$20	30
\$10	10
\$5	1



### Factors that affect supply:

- Changes in the cost of resources
- Productivity
- Technology
- Changes in government policies
- Changes in taxes and subsidies

### Shifts in a supply curve:

- LEFT—supply decreases
- RIGHT—supply increases

### Assignment:

In a group, decide on a good or service you want to produce. Then develop a list of specific (to your good or service) factors that would shift the supply curve of its goods or services to the left or to the right. Additionally, you need to brainstorm ways to overcome the various factors that shift your supply curve to the left.

### Quiz: (2 points each)

1. Define productivity
2. Define subsidy
3. What happens to the supply curve of tires in the following situations:
  - a. The cost of rubber—an important raw material used in the making of tires—increases.
  - b. New technology used in producing tires results in increased efficiency in making the tires.
  - c. The government imposes a tax on high-performance tires.