**Practice with Supply Schedules and Curves –**

1. Fill in the market supply schedule and create a market supply curve for cookies (LABEL!).

|  |  |
| --- | --- |
| Price per cookie | Cookie supplied per day |
| $.50 | 500 |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

* The price of a cookie rises $.25 and the quantity

supplied per day increases by 100.

1. Imagine that you are the owner of a factory that produces sunglasses. The price of sunglasses has recently begun to rise rapidly. Explain whether you as the factory owner would increase your output (supply) of sunglasses, decrease your output, or keep it the same and explain WHY. (Think about the law of supply)
2. You are an ice cream parlor owner. Below is a market supply schedule for ice cream cones. Finish the supply schedule and draw a corresponding supply curve according to the law of supply.



|  |  |
| --- | --- |
| **Price** | **Qty supplied** |
| $1 | 50 |
| $2 | 75 |
| $3 | 100 |
| $4 |  |
| $5 |  |
| $6 |  |
| $7 |  |

1. Identify in the following situations if the supply is inelastic or elastic and WHY:
   1. If the price of apples increase…supply is
   2. If the price of an oil change increases…supply is
   3. The price of dry cleaning services increase…supply is
   4. The price of tickets to a Carolina Panthers football game increases…supply is

Demonstrate your understanding of shifts in supply by illustrating shifts in the supply curve for the following situations:

1. A furniture company has developed robots to replace many of its workers…how will the supply curve change? WHY?



1. Nike has been told that they will now have to pay twice as much for rubber as they have been paying…how will this affect the supply curve? WHY?





1. You are a tomato farmer, how does your original supply curve shift when there is an/a

Increase in wages for farm workers? WHY? Decrease in fertilizer costs? WHY?





1. The government has placed an excise tax on cigarettes…how will the supply curve shift? WHY?





1. Complete the following supply schedule and draw a corresponding supply curve. The price of pizza increases by $.50 and the slices supplied increases by 75.

|  |  |
| --- | --- |
| **Price** | **Qty supplied** |
| $.75 | 125 |
| $1.25 | 200 |
| $ |  |
| $ |  |
| $ |  |
| $ |  |
| $ |  |



1. The government has placed a regulation on new cars to only use lead-free fuel because scientists linked health problems to lead in gasoline. These regulations increased the cost of manufacturing car and thus \_\_\_\_\_\_\_\_\_\_\_\_ supply. Draw the corresponding supply curve, including the original line (S1) and the shift (S2).





1. The U.S. imports alarm clocks from Taiwan. A new technology that decreases the cost of producing alarm clocks would \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the supply of alarm clocks in the U.S. market. Draw the corresponding supply curve, including the original line (S1) and the shift (S2).



1. Many suppliers of winter snow boots are getting out of the business in North Carolina. Graph what will happen to the supply of snow boots, including the original line (S1) and the shift (S2).



