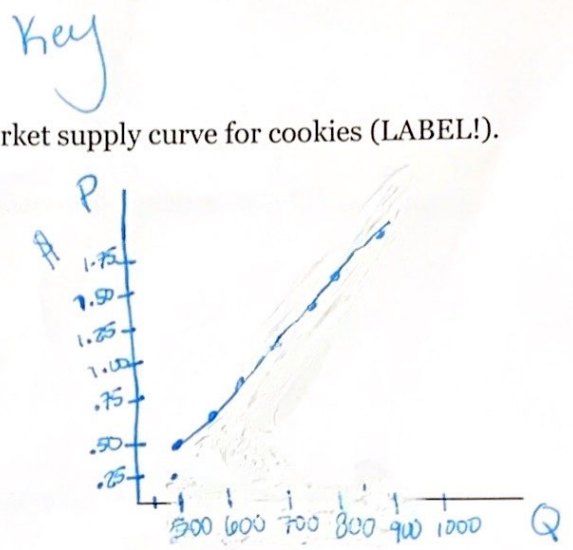


**Practice with Supply Schedules and Curves –**

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
\$ .75	600
\$ 1.00	700
\$ 1.25	800
\$ 1.50	900
\$ 1.75	1000



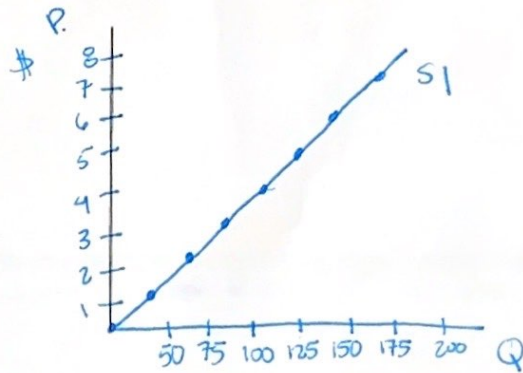
- The price of a cookie rises \$.25 and the quantity supplied per day increases by 100.

2. 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)

- increase output because as price goes up I want to make/sell more  
 ↳ Suppliers are generally willing to offer more goods & services at a higher price & fewer at a lower price.

3. 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	125
\$5	150
\$6	175
\$7	200



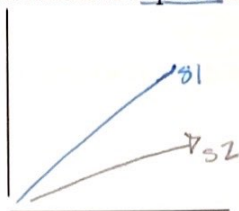
? 4

Ignore Supply Elasticity

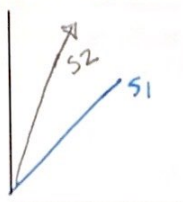
the more  
 skill involved.  
 ly is

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?

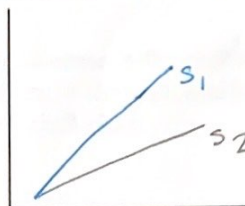
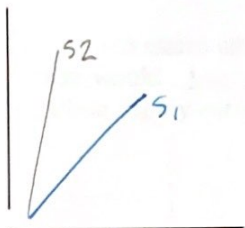


2. Nike has been told that they will now have to pay twice as much for rubber as they have been paying...how will this affect the supply curve? WHY?

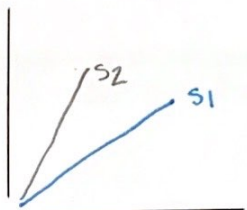


3. You are a tomato farmer, how does your original supply curve shift when there is an/a Increase in wages for farm workers? WHY? *↓*      Decrease in fertilizer costs? WHY? *↑*

*Pay more workers X*

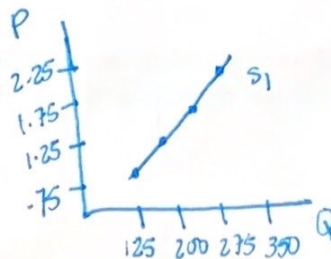


4. The government has placed an excise tax on cigarettes...how will the supply curve shift? WHY?



5. 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
\$ 1.75	275
\$ 2.25	350



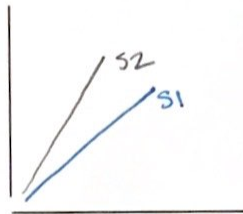
\$	
\$	
\$	

6. Explain whether the following goods are elastic or inelastic and WHY.

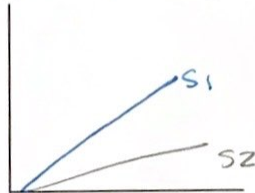
a. Hotel rooms - limited → inelastic

b. Taxi rides - non-limited & easy to produce → elastic

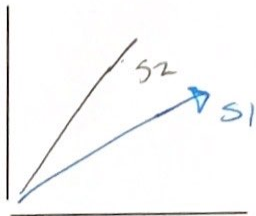
7. The government has placed a regulation on new cars to only use lead-free fuel because scientists linked health problems to lead in gasoline. These regulations increased the cost of manufacturing car and thus decreased supply. Draw the corresponding supply curve, including the original line (S1) and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



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



9. 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).



The more suppliers,  
the more supply of  
products.  
(vice versa)

10. Explain how elasticity of supply would effect producer decisions in each situation below:

a. The price of bananas increases. Is the supply of bananas elastic or inelastic? WHY?