Name:      Facilitator:

Date:       School:

3.05 Notes Guide

**Change in Supply**

A 1.       in supply is when 2.       offer different amounts of a product for sale at all 3.       prices in the market.

This means that regardless of the price point of the 4.       or 5.      , the producer changes how much it will supply.

A 6.       in supply is caused by something other than how much 7.       will pay.

If consumer spending does not cause a change in supply, what does?

8.

Factors that can cause a change in 9.       include:

* 1. The cost of 10.
  2. Productivity 11.
  3. Technology
  4. Taxes
  5. Level of 12.
  6. Expectations
  7. Government 13.

**Factors in Changing of Supply**

1. The cost of 14.

Inputs are the materials that are used to produce the 15.       or service that is being offered.

If the price of the 16.       falls, the supplier offers 17.      .

If the price of the 18.       rises, the supplier offers 19.      .

For example: if the price of the fruits and vegetable goes 20.      , a restaurant can offer more food at the same 21.      .

2. Productivity 22.

If 23.       become more proficient at their jobs, then they will be able to create more in the same amount of time.

3. Technology

As 24.       progresses, new 25.       advances allow for quicker 26.       .

4. Taxes

When taxes are 27.       or 28.      , suppliers have to alter their output level depending on how much they now have to spend.

5. Levels of 29.       .

A subsidy is when the 30.       gives money to a certain business or 31.       . This is done to try to help out that specific type of business.

This will increase the amount the 32.       can produce.

6. Expectations

If 33.       expect a shift in the market, they may increase production.

For example: if automobile companies expect gas prices to 34.      , they may increase production of compact cars.

7. Government 35.

Often the government will need to regulate the 36.      , so they make 37.       restricting suppliers. This change how much is 38.      .

**Change in Supply**

When the 39.       curve shifts to the right, it indicates an increase in the 40.       (which is caused by the factors previously covered).

At every possible price, more is 41.      .

When the 42.       curve shifts to the left, it indicates a decrease in the supply (which is caused by one of the factors previously covered).

At every possible price, 43.       is supplied.

**Change in Quantity Supplied**

A change in 44.       supplied is different than a change in 45.       .

A change in quantity supplied is the change in the amount offered for sale in 46.       to a change in price.

This means that producers will offer 47.       when the price is high and 48.       when the price is low.

Producers have the freedom, if prices fall too 49.      , to slow or stop production.

If the price rises, the 50.       can step up production levels.