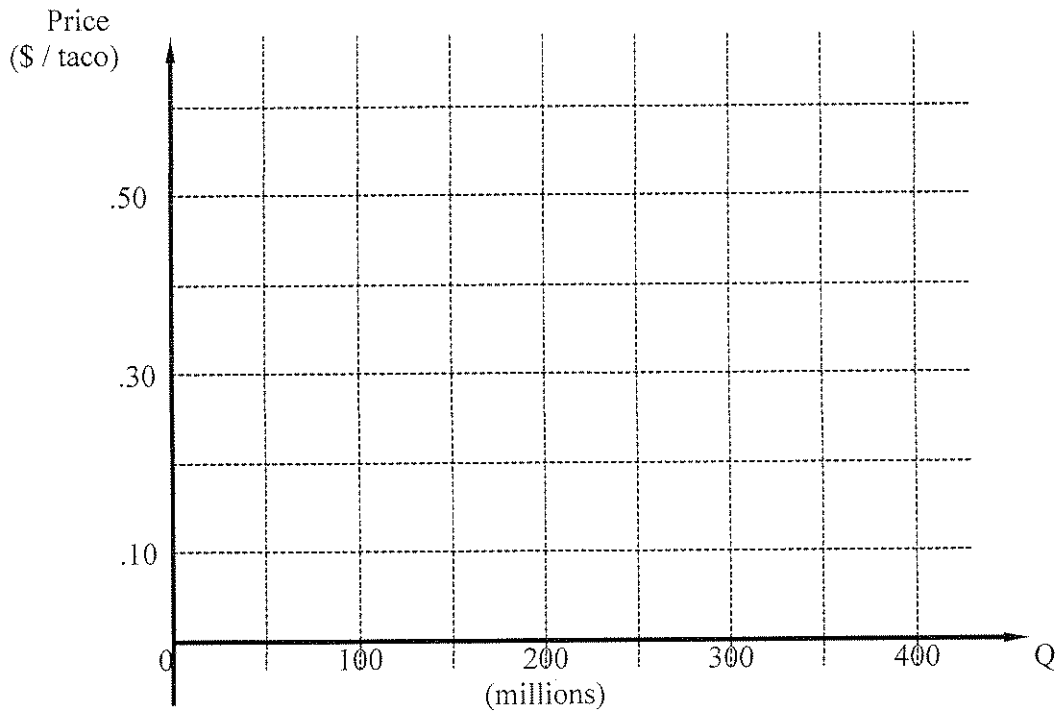


Supply

Name: _____ Hour: _____

Below is a table showing the market supply for tacos. Study the data in the table, and plot the demand for tacos on the axes provided below. Label the demand curve "S," and answer the questions on the following page.

Price \$/tacos	\$0.10	\$0.15	\$0.20	\$0.25	\$0.30	\$0.35	\$0.40
Q_s (millions)	50	100	150	200	250	300	350



Graph this shift in supply. Is this an increase or decrease in supply? _____

Price \$/ taco	Quantity Supplied (Millions)
\$0.05	50
\$0.10	100
\$0.15	150
\$0.20	200
\$0.25	250
\$0.30	300

List 3 situations that would cause the supply curve to shift the way it did. Be specific; don't just list 3 factors of supply.

- 1.
- 2.
- 3.

Graph this shift in supply. Is this an increase or decrease in supply? _____

Price \$/ taco	Quantity Supplied (Millions)
\$0.20	50
\$0.25	100
\$0.30	150
\$0.35	200
\$0.40	250
\$0.45	300
\$0.50	350

List 3 situations that would cause the supply curve to shift the way it did. Be specific; don't just list 3 factors of supply.

- 1.
- 2.
- 3.

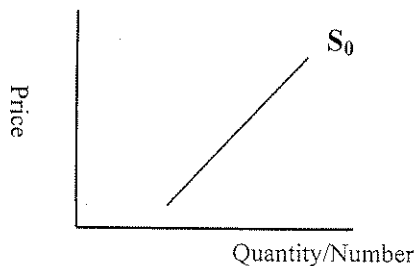
1. Which of the following would NOT cause a change in the supply of beef?
 - a. A decrease in the price of beef.
 - b. A decrease in the price of cattle feed.
 - c. An increase in the price of cattle feed.
 - d. An increase in the cost of transporting cattle to market.

2. "Falling oil prices have caused a sharp decrease in the supply of oil." Speaking precisely, and using terms as they are defined by economists, this quotation is:
- a. correct -- a decrease in price always causes a decrease in "supply."
 - b. incorrect -- a decrease in price always causes an increase in "supply," not a decrease in "supply."
 - c. incorrect -- a decrease in price causes an increase in the "quantity supplied," not a decrease in "supply."
 - d. incorrect -- a decrease in price causes a decrease in the "quantity supplied," not a decrease in "supply."

Supply Scenarios

Directions:

Read each scenario below. On a separate sheet of paper draw the graph that illustrates what has happened to supply and explain that in writing. Start each scenario with the following:



The supply of _____ will _____ due to _____; because....

1. Ford workers are not happy with their new labor contract and go on strike nationwide. How will this affect the supply of cars?
2. The Federal government passes a law that all cellular phones must be water tight to avoid fatal shocks. How will this affect the supply of cell phones?
3. A farmer in Western Florida creates a new fertilizer that doubles the size of oranges while maintaining taste. How will this affect the supply of orange juice?
4. Due to the market introduction of the fantastic fertilizer mentioned above, farmers across the country are turning their lands over to orange groves. How will this affect the supply of rice?
5. Coffee that was once a popular staple in the American diet is losing some of its steam. The price of a Venti Nonfat Caramel Macchiato is changed from \$4.80 to \$4.00. How will this affect the supply of macchiatos?
6. The shells of peanuts when ground up and added to a lotion have a very regenerative power for skin. This new fad is revolutionizing the peanut industry. How will this affect the supply of peanut butter?
7. The board of trustees have approved a capital improvement project to expand the Rich's Plant in downtown Buffalo. How will this affect the supply of Rich's Reddiwhip Whipped Cream?
8. To offset the loss of revenue from sales tax (since people spend less money during economic crisis') New York State has increased the excise taxes on the manufacturing of such items as cigarettes and tobacco. What will happen to the supply of cigarettes and tobacco?
9. More and more Dunkin Donuts are opening around Western New York. What will happen to the supply of donuts?
10. In times of economic peril, consumers do not buy normal goods; therefore the price of big ticket items like refrigerators and cars decrease until after the crisis has been averted. What is happening to the supply of these items?