

Target/Objective:

SS.912.E.1.4: Define supply, demand, quantity supplied, and quantity demanded; graphically illustrate situations that would cause changes in each, and demonstrate how the equilibrium price of a product is determined by the interaction of supply and demand in the market place.

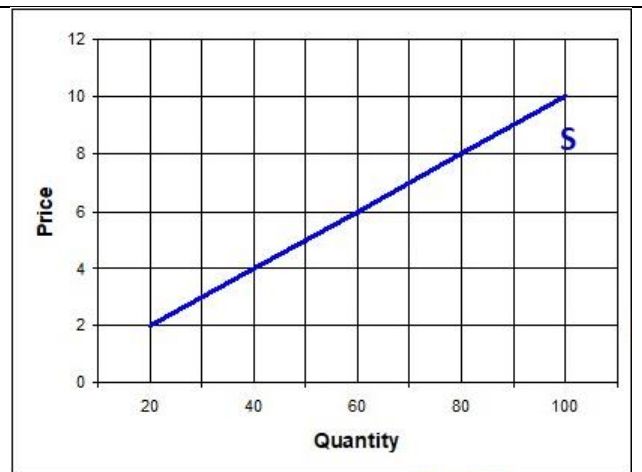
Essential Question:

What is Demand? How does it reflect the behavior of consumer?

Supply

- Through various incentives, _____ seek to maximize their profits
- Producers want to make the most _____
- The behavior of producers is called _____
- The amount producers are willing to sell _____.
- The ENTIRE _____ is the supply

Price	Quantity
10	100
8	80
6	60
4	40
2	20



- ALWAYS has a _____
- It shows a positive relationship between _____ and _____
- Therefore, the _____ states that, all things equal, as price rises, quantity supplied rises, and as price falls, quantity supplied _____.

- Sometimes, the supply for a product will _____, at ALL prices
- It may cause an _____ in supply,
- or a _____ in supply



Summary

What is Supply? How does it reflect the behavior of producers?

Essential Question:

What causes a change in Supply? How do they cause a change in Supply?

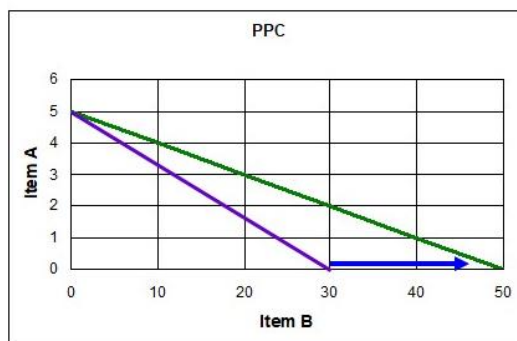
(Non-Price) Determinants of Supply

1) Cost of Resources

- The number of items producers are willing to sell is determined by how many resources they have to make them. Simply, _____.
- If the cost of the resources _____, the number of items that can be produced _____; if the cost of resources _____, the number of items that can be produced _____.
- If the cost of inputs rises _____, a producer may be forced to _____.

2) Technology

- As new _____ in technology are realized, production with the _____ will increase.
- Remember that new technology also has an effect on **production possibilities**.



3) Expectations

- _____ help producers decide how much to produce at a given time.
- Producers will withhold inventory now if they know that _____ in the future. Instead they will _____ their resources.
- Producers will offer more for sale now if they know that _____ in the future.

4) Number of Sellers

- Quite simply, if there are more producers, _____ (and the opposite as well).

5) Productivity

- This refers to how much each worker (or resource) _____.
- Businesses spend money on making workers more productive by investing in _____
- Human Capital includes _____, and _____ (non-money benefits such as health care, paid vacation, etc.)

6) Taxes/Subsidies

- Government will use _____ to encourage or discourage the production of goods and services.

a) Taxes

- A **tax** is _____ for using a good or service or for a type of transaction
- Government will tax items that the government wants _____ of (for example, cigarettes)

b) Subsidies

- A **subsidy** is _____ in exchange for certain actions
- Government will give subsidies to businesses that produce things that _____ (for example, solar panels on homes)

7) Government Policies

- Government will pass laws or make rules in order to _____.
- When government chooses to _____ (implement stricter laws/rules) the new laws or rules will usually decrease production (supply will decrease).
- When government chooses to _____ (loosen the rules) it will usually increase production (supply will increase).

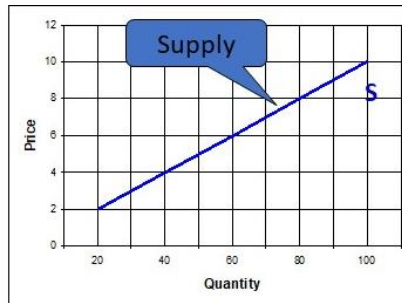
Summary:

What causes a change in Supply? How do they cause a change in Supply?

Supply v. Quantity Supplied

- _____ is a specific point on the curve or schedule.
- It shows the quantity of an item that will be produced at _____

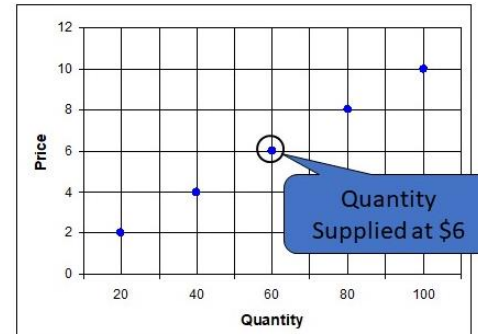
Supply



Price	Quantity
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Supply

Quantity Supplied

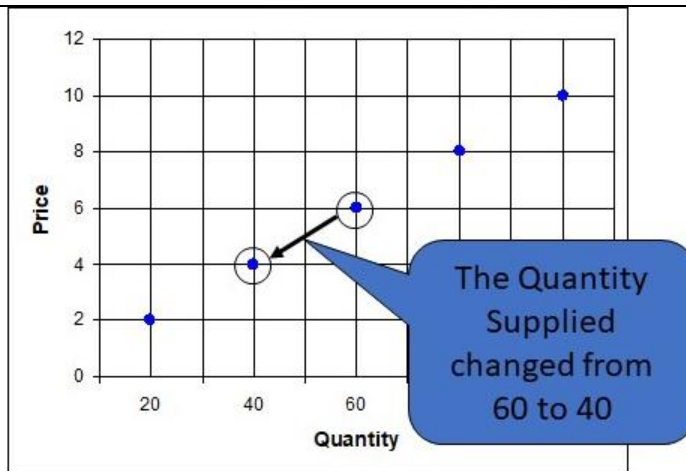


Quantity Supplied at \$6

Price	Quantity
6	60

Quantity Supplied

- A change in the quantity supplied results in _____
- all things equal, this is caused by a change in _____ (not one of the determinants of supply)



Summary:

What is the difference between Supply and Quantity Supplied? How are they related?