

# Properties of the Aggregate Supply Curve

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## AS curve.

$$y^S(x) = f(x) \cdot k$$

selling probability      capacity

Properties of  $y^S(x)$  reflect those of  $f(x)$ .

- $y^S(0) = 0$  b/c  $f(0) = 0$
- $\lim_{x \rightarrow \infty} y^S(x) = k$  b/c  $\lim_{x \rightarrow \infty} f(x) = 1$
- $y^S(x)$  is increasing in  $x$  b/c  $f(x)$  is increasing in  $x$
- $y^S(x)$  is concave in  $x$  b/c  $f(x)$  is concave in  $x$

AS curve in (service, tightness) plane.



