

Part IV

1 The Supply Side

1.1 Determinants of Supply aus perspektive des business

- Price of the product

The higher the price, the more profitable is the business: supply increases.

- Input prices / costs

A higher input price makes the production less profitable.

- Technology

An advance in technology raises supply (by reducing firm's costs).

- Expectations what do companies think will happen in the future

The **views about the future** influence supply. For example, expected changes in **government policy** may influence supply.

- Number of sellers new firms enter market

Market-entries will lead to increase supply, market-exits reduce supply.

1.2 From Individual to Market Supply

