

Supply Problem Set

Principles of Microeconomics

July 14, 2025

Instructions

Please answer on a separate sheet of paper and submit on Gradescope.

Multiple Choice

Please briefly explain your choice. One sentence is sufficient.

1. Which of the following moves the pizza market up along a given supply curve?
 - (a) an increase in the price of pizza
 - (b) an increase in the price of root beer, a complement to pizza
 - (c) a decrease in the price of cheese, and input to pizza
 - (d) a kitchen fire that destroys a popular pizza joint
2. Which of the following shifts the supply curve for pizza to the right?
 - (a) an increase in the price of pizza
 - (b) an increase in the price of root beer, a complement to pizza
 - (c) a decrease in the price of cheese, and input to pizza
 - (d) a kitchen fire that destroys a popular pizza joint
3. Movie tickets and film streaming services are substitutes. If the price of film streaming increases, what happens in the market for movie tickets?
 - (a) The supply curve shifts to the left.
 - (b) The supply curve shifts to the right.
 - (c) The demand curve shifts to the left.
 - (d) The demand curve shifts to the right.

Free Response

4. Does a change in producers' technology lead to a movement along the supply curve or to a shift in the supply curve? Does a change in price lead to a movement along the supply curve or to a shift in the supply curve. No explanation necessary.
5. When a cold snap hits Florida, what happens to the supply curve for orange juice? One sentence is sufficient.
6. Consider the market for minivans. For each of the events listed here, explain whether supply increases or decreases. One sentence for each is sufficient.
 - (a) A strike by steelworkers raises steel prices.
 - (b) Engineers develop new automated machinery for the production of minivans.
7. What effect does each of the following have on the demand or supply of sweatshirts? One sentence for each is sufficient.
 - (a) The price of leather jackets falls.
 - (b) A hurricane in South Carolina damages the cotton crop.
 - (c) New knitting machines are invented.
 - (d) All colleges require morning exercise in appropriate attire.
8. How long did this problem set take you?