*Your responses here must come from what we discussed in class (your notes) not from the internet. Your review quiz and your final exams have been written based off of class discussions, not from the internet.*

Supply

| Supply looks at things from the perspective of who? | Supply looks at the things from the perspective of the producer |
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| What is **supply**? | Supply is a quantity of a good or service a business or firm is willing to produce |
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| What is the **law of supply**? | The law of supply is a direct relationship where the quantity of the good or service will be greater at a much greater price than a low price |
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| How does selling coffee at school help to demonstrate the **law of supply**? | If you put more money effort into producing and selling coffee, you would raise more money.Greater price and greater quantity is more effort into selling coffee, more effort, more money made. |
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| Describe how you should always draw your supply line/curve so that it follows the **law of supply** (think: how does it differ from a demand line/curve?) | You Should always draw your supply line and curve in a positive direction/positive slope/upward slope |
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| What causes a change in **quantity supplied**? | As the prices go up producers are more motivated to increase their quantity supplied, as prices go down producers are less motivated to increase their quantity supplied |
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**Reasons For A Change/Shift In Supply** **Your Explanation with example**

| Technological Advances | With new technological advances such as the cotton gin, more cotton/a higher quantity of cotton will be produced, higher quantity, higher price, means an increase in quantity supply. It will shift the supply curve to the right. The cotton gin increase the quantity of cotton, so it shifts to the right, if there is online news, then the supply of newspapers will increase.More products people are motivated to increase their price  . |
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| Change In Resource/Factor Prices | If there is a change in resource/factor price, the supply line will shift. An increase in price causes a decrease in supply, it will shift to the leftThe supply of the ps5 decreased because producers could not afford to buy as much electric chips as much as possible needed to produce as many ps5 they could all because of supply shortages..The supply for ps5 will go down/decrease. |
| Change In The Number Of Producers/Sellers | If there is a increase in the number of producers and sellers, then the quantity of the product will go up, and the producers are willing to increase the price.If there is a decrease in the number of producers and sellers, then the quantity of the product will go up, and the producers are willing to decrease the price.Let says there are more fast food restaurants, than the supply of fast food will increase |
| Producer Expectations For Future Prices | When a business knows a time where more people want to purchase a specific item. They increase the quantity of that product and decrease the price.When the winter months hit,producers decide to produce more jackets in the winter, so more people can buy them. The supply for jackets will go up in the winter |
| Change In  Business Taxes  Business Subsidies | When the government lowers taxes of businesses and firms, the businesses and firms would spend more money on products to increase the production of products, when the government provides subsidies it increases production, the quantity supplied will shift to the right, lower the taxes, the more money business spends which increase production and price. Let’s say the government decides to save money on gas fuel, they decide to produce more electric cars to keep our environment safe. The supply of electric cars goes up. The price of electric cars go up s well.Subsidie encourage more production, which increases supply and lowers the price |
| Change In Price Of  Substitute Goods  Complementary Goods | Substitute Goods -When the popularity of a good that is different from one another increases, the quantity equilibrium of the good or service increases while the price equilibrium decreases.the other products quantity decreases, and if the quantity decreases the price increases. Let says the quantity supplied of e books increase, and the price decreases then the quantity of the regular books decrease and the price increases  Complementary goods- When the popularity of one good increases, then the good that is used with that good or service also increases, the quantity supplied of both goods increase, and the price equilibrium of both goods decreases. Let's say if the popularity for pizza’s go up, then the popularity for pans also goes up, because you need a pan to bake a pizza, the quantity supplied increases, and price decreases for both the pizza and pan. |

Prices

| What is **price equilibrium**? | The price equilibrium where the price of quantity supply and quantity demand are equal, supply matches the demand |
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| What is the economic consequence if a business charges a price that is significantly **higher** than price equilibrium? Part 2 of your study guide may help you with this | The economic consequence if a business charges higher than the price equilibrium is a surplus. A surplus is where the quantity supplied is greater than quantity demanded |
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| What is the economic consequence if a business charges a price that is significantly **lower** than price equilibrium? Part 2 of your study guide may help you with this | The economic consequence if a business charges higher than the price equilibrium is a shortage. A shortage is where quantity demanded is greater than quantity supplied |
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| What is a **price floor**? | A price floor is the minimum price a person can sell. A price floor is a solution to reduce the shortage.Increase the price will also reduce the shortage and decrease quantity demanded |
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| Where would an **effective price floor** be placed in relation to the price equilibrium? | The price floor would be placed above the price equilibrium |

| What is a **price ceiling**? | A price ceiling is the max price a person can sell. A price floor is a solution to reduce the shortage .Decrease the price will also reduce the surplus and increase quantity demanded |
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| Where would an effective price ceiling be placed in relation to the price equilibrium? | The price floor would be placed below the price equilibrium |

| Taking what you have learned about why prices change (supply and demand changes), explain why one of your stocks changed in price while you owned it. Use terms like “demand” and “equilibrium” in your explanation | My Oracle stock changed in price because the demand for cloud-engineering services and systems and database management systems decreased so the price equilibrium decreases and quantity equilibrium will decrease. If The demand for my products increases then my price equilibrium increases and quantity equilibrium will increase. |
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