



$$Q^s = -10 + 5P$$





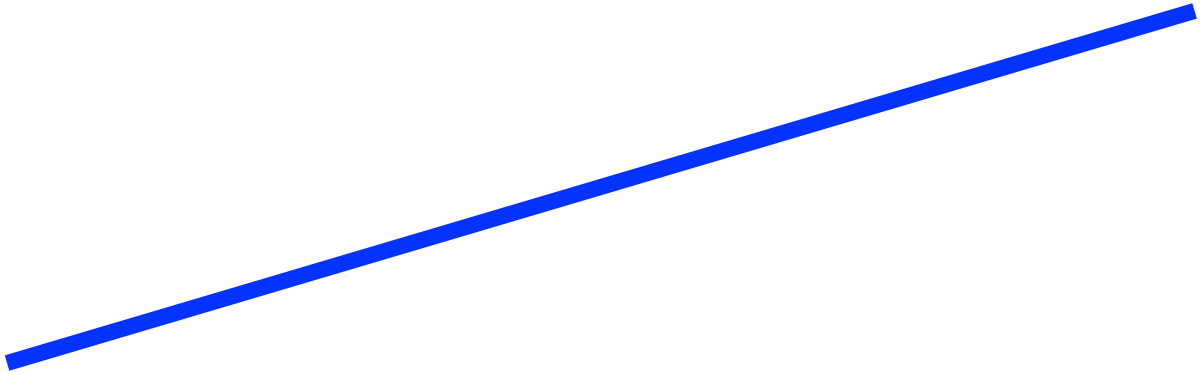


$Q^S$

$=$

$-$

10

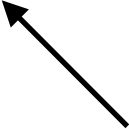


Supply








$$Q_s = 0$$

P

=

2

**$P = 0$**



**Producers sell 10%  
more at all prices**

$$\text{New } Q^s \equiv (-10 + 5P)(1.1)$$

$$\text{New } Q^s = -10(1.1) + 5(1.1)P$$



$$\text{If } Q^S = 0$$

P

=

2

**If**

**P**

**=**

**O**

**NewQ<sup>s</sup>  $\equiv$  -11 + 5.5P**

**Q<sup>s</sup>**

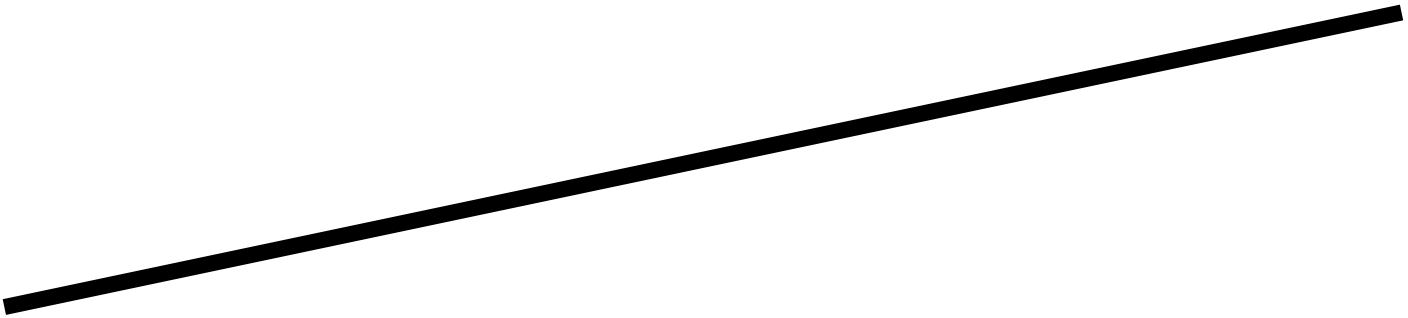
**=**

**-**

**1**

**1**









**New Supply**

**NOT Parallel Shift**

**P**

**=**

**2**

**NewQs  $\equiv$  -11 + 5.5P**

**NewQs = -11**

**Slope = 2/10**

**Slope = 2/11**

Steep(er)



**Flatter**

$$Q^s = -10 + 5P$$

$$\text{New } Q^s = (-10 + 5P) (1.1)$$

$$\text{New } Q^s = -10(1.1) + 5(1.1)P$$

$$\text{New } Q^s = -11 + 5.5P$$

$$\text{New } Q^s = -11 \quad \text{If } P = 0$$

Producers sell 10% more at all prices

$$\text{New } Q^s = -11 + 5.5P$$

$$\text{If } Q^s = 0$$

$$P = 2$$

Steeper  
Slope = 2/10  
Supply

NOT Parallel Shift

New Supply  
Slope = 2/11  
Flatter

