

Shifts In Supply

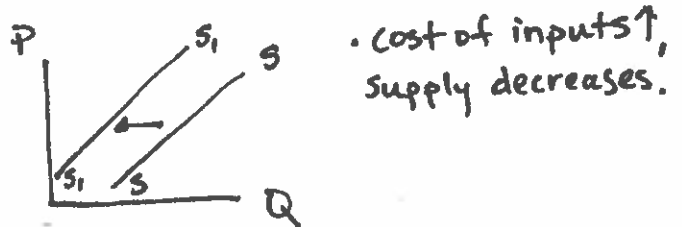
A supply curve reflects how much of a product or service will be supplied at each and every market price. Things can change that will effect the supply for a given product. Your assignment is to write headlines and graph corresponding supply curves that would reflect a change in supply.

Directions: For this assignment we will look at 7 things that can shift a supply curve. You need to write 2 headlines that would cause an increase in supply and 2 headlines that would cause a decrease in supply. You must correctly draw and label a graph showing each of these shifts in supply.

Examples:

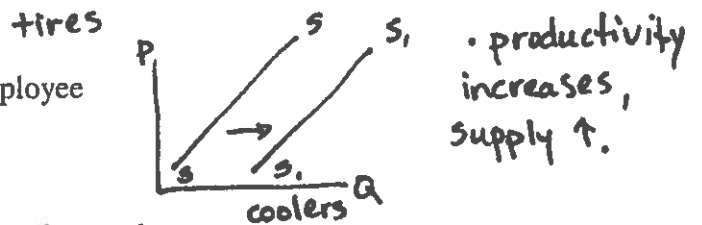
1) Change in the cost of inputs.

Headline "Rare Beetle Eats Half the Rubber Trees, Industry in Peril!"



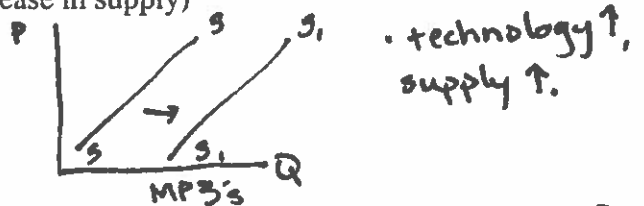
2) Change in productivity.

Headline "Coleman Corp. Offers a 'Cool Million' to Employee of the Year at Nation Cooler Manufacturing plant."



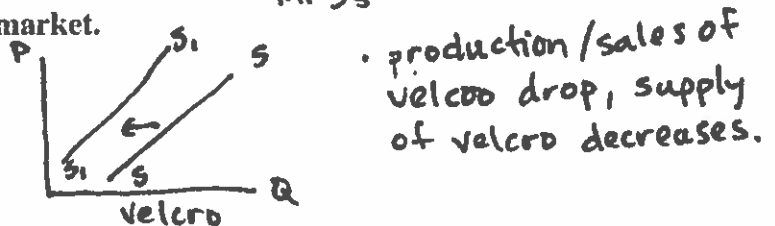
3) Change in technology. (only need 2 that show increase in supply)

Headline "New 'Super Robots' are revolutionizing MP3 production"



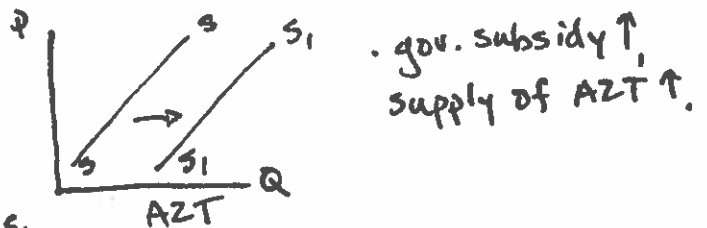
4) Change in the number of sellers in the market.

Headline "Manufacturers drop Velcro, Snaps are 'Where Its At'"



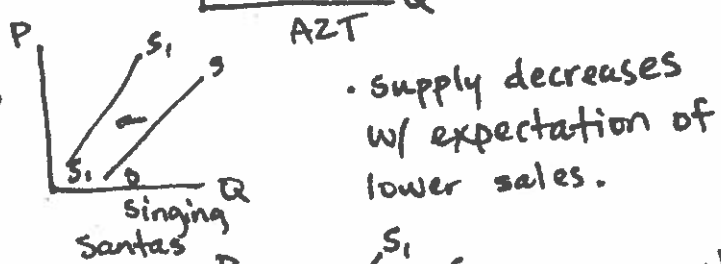
5) Change in taxes or subsidies. (one increase and decrease each for taxes and subsidies)

Headline "Government Increases Subsidy for AZT, Drug Companies Claim it is Not Profitable"



6) Change in expectations.

Headline "Singing Santa Sales Expected to Plunge in January"



7) Change in government regulation.

Headline "California Passes Stringent Emissions Standards for 2007"

