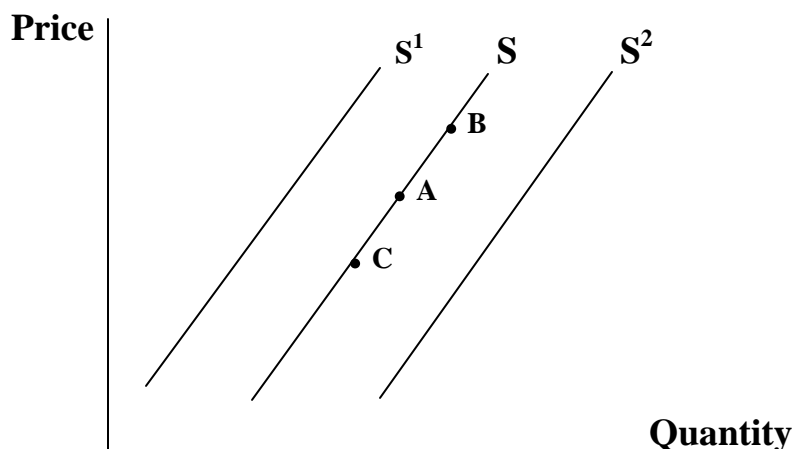


Change in Supply Activity



Directions: decide whether the situation will cause a change in supply or quantity supplied. Start at curve 'S' or point 'A' and determine the direction it will shift/move. Then answer either question 'C' or 'D' depending on your answer for question for 'A.' If it's a change in supply than identify which determinant of supply caused the shift.

1. A chicken farmer notices a steady increase in the price of chicken feed.
 - a. Is there a change in supply or quantity supplied? _____
 - b. Which direction will it shift/move (left or right)? _____
 - c. If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - d. If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - e. Which determinant(s) of supply caused the shift? _____
2. An early winter frost destroys the corn crop in the Midwest.
 - a. Is there a change in supply or quantity supplied? _____
 - b. Which direction will it shift/move (left or right)? _____
 - c. If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - d. If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - e. Which determinant(s) of supply caused the shift? _____
3. The potato chip manufacturers are expecting an unusually large crop of potatoes this year.
 - a. Is there a change in supply or quantity supplied? _____
 - b. Which direction will it shift/move (left or right)? _____
 - c. If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - d. If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - e. Which determinant(s) of supply caused the shift? _____
4. The potato chip manufacturers are all buying equipment that can make potato chips twice as fast.
 - a. Is there a change in supply or quantity supplied? _____
 - b. Which direction will it shift/move (left or right)? _____
 - c. If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - d. If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - e. Which determinant(s) of supply caused the shift? _____
5. The government offers subsidy payments to farmers that grow organic vegetables.
 - a. Is there a change in supply or quantity supplied? _____
 - b. Which direction will it shift/move (left or right)? _____
 - c. If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - d. If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - e. Which determinant(s) of supply caused the shift? _____

6. New technology increases efficiency at an auto factory.
- Is there a change in supply or quantity supplied? _____
 - Which direction will it shift/move (left or right)? _____
 - If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - Which determinant(s) of supply caused the shift? _____
7. Workers decide to strike at the sugar processing factory.
- Is there a change in supply or quantity supplied? _____
 - Which direction will it shift/move (left or right)? _____
 - If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - Which determinant(s) of supply caused the shift? _____
8. The price of soda increases.
- Is there a change in supply or quantity supplied? _____
 - Which direction will it shift/move (left or right)? _____
 - If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - Which determinant(s) of supply caused the shift? _____
9. The government raises the minimum wage.
- Is there a change in supply or quantity supplied? _____
 - Which direction will it shift/move (left or right)? _____
 - If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - Which determinant(s) of supply caused the shift? _____
10. A major computer software company is bought by one of its rivals.
- Is there a change in supply or quantity supplied? _____
 - Which direction will it shift/move (left or right)? _____
 - If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - Which determinant(s) of supply caused the shift? _____
11. The state raise taxes on soft drinks.
- Is there a change in supply or quantity supplied? _____
 - Which direction will it shift/move (left or right)? _____
 - If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - Which determinant(s) of supply caused the shift? _____
12. A natural disaster cripples a major car company's production capabilities; car dealerships expect this to affect them how?
- Is there a change in supply or quantity supplied? _____
 - Which direction will it shift/move (left or right)? _____
 - If it is a change in supply, which will be the new supply curve: S^1 or S^2 ? _____
 - If it is a change in quantity supplied, which point will it move toward: B or C? _____
 - Which determinant(s) of supply caused the shift? _____