

## 2.3 Supply

Name: \_\_\_\_\_ Class: \_\_\_\_\_ Date: \_\_\_\_\_

Total: 16 marks

**KEY WORDS** supply 供给 • conditions of supply 供给条件 • supply curve 供给曲线  
 • technology 技术 • costs of production 生产成本

### Objective

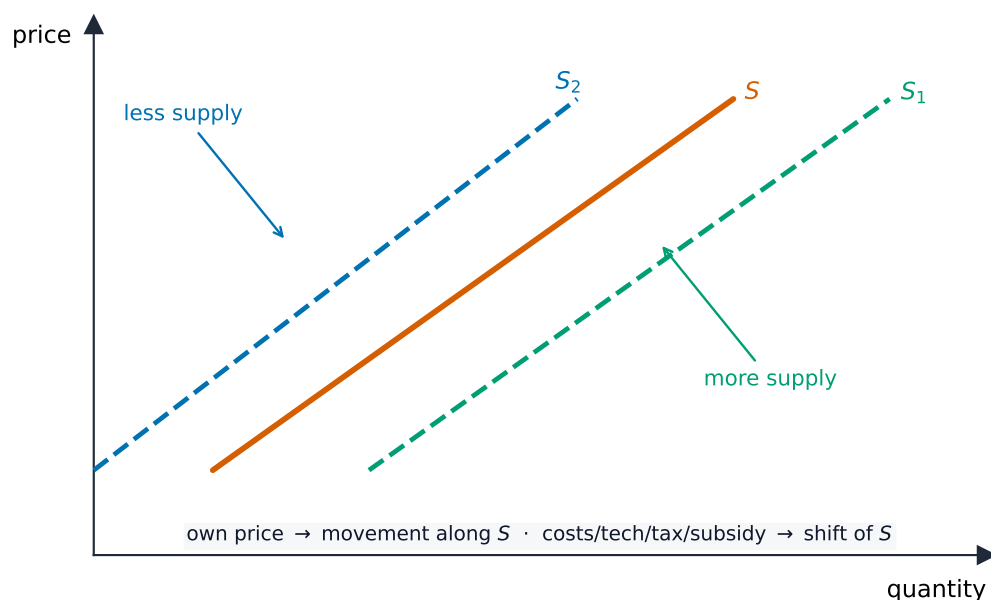
Build the skills to answer exam questions on **supply** 供给 — the **law of supply** 供给定律, **movements along** versus **shifts**, and the **conditions of supply** 供给条件.

You must be able to:

- state the law of supply and explain the upward curve
- distinguish a movement along from a shift of the supply curve
- explain the conditions that shift supply

### 1 Worked examples

#### ■ The supply curve



*Own-price change = movement along; any other change = shift*

- **Law of supply:** price up → quantity supplied up (a **direct relationship** 正向关系) — firms earn more, so supply more.

- **Conditions of supply** (shift the curve): **costs of production** 生产成本, **technology** 技术, a **tax** 税收 or **subsidy** 补贴, weather, number of firms.

**Answer shapes:** an **Analyse** [up to 6] answer may use a supply diagram; **Discuss** [8] adds a judgement (Ev).

## 2 Practice

**2.1** State the *law of supply*. [2]

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**2.2** State two conditions that shift the supply curve. [2]

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**2.3** State the effect on supply of a rise in the costs of production. [1]

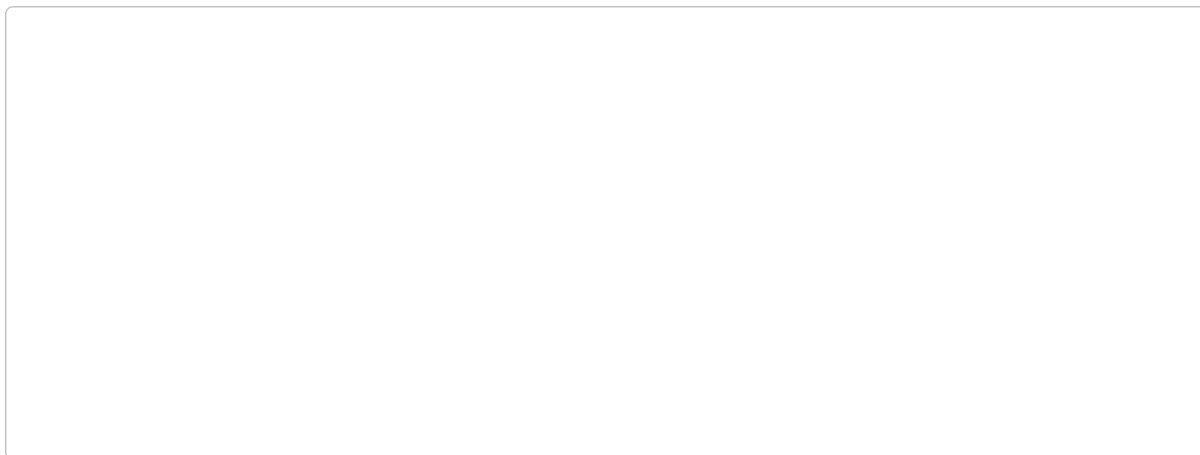
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## 3 Exam-style questions

**3.1** A government **subsidy** to producers will shift the supply curve: [1]

- |   |   |
|---|---|
| A | B |
| C | D |
- A** left, because costs rise
  - B** right, because costs fall
  - C** left, because demand falls
  - D** there is no effect on supply

**3.2** Using a supply diagram, explain how a rise in the cost of raw materials affects supply. [4]



**3.3** Analyse how an improvement in technology would affect the supply of a good. [6]

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