

Name: \_\_\_\_\_ Date: \_\_\_\_\_ Block: \_\_\_\_\_

## Supply Curve Practice

**For each problem, answer the question then illustrate the change that will occur on the graph below. First draw the original supply line and label it “S”. Then draw the new supply line and label it “S1”.**

1. Sony purchases new technology that will allow more Playstation 3s to be produced each hour. This will \_\_\_\_\_ supply.
  
2. Company B attempts to increase profits by raising prices. How will this change the supply curve?
  
3. Droughts in the Midwest cause food prices to soar. This will cause Richhartmart to \_\_\_\_\_ its supply of grocery products.
  
4. The government places strict pollution regulations on automotive producers in Detroit. How will this affect Ford's supply levels?

5. A large forest fire destroys thousands of acres of woodlands about to be harvested. This will cause the Harlan Cabinet Company to \_\_\_\_\_ its supply of cabinets and cupboards.

6. A development firm has bought all the land around a large lake in northern Arkansas. The local government places a high property tax on the land to raise money for a nearby school. What type of supply does the land have?

7. A government agency feels too much wheat is being produced and stops all subsidies to wheat farmers for one year. This will cause wheat production to \_\_\_\_\_.

8. Chevrolet announces it will stop production of Corvettes after next year. Furthermore, the final edition Corvette is a limited series and only 5,000 will be produced. Draw the supply curve for Corvette production for next year.

9. How is a shift in the supply curve different from the quantity supplied?

10. What is the law of supply and how does profit motive help to explain it?