

GUIDED READING Activity 5-1

For use with textbook pages 117–125

WHAT IS SUPPLY?

RECALLING THE FACTS

Directions: Use the information in your textbook to answer the questions. Use another sheet of paper if necessary.

1. What does the Law of Supply State? _____

2. Explain how each of the following tools can help businesses make production decisions.
 - a. Supply schedule: _____

 - b. Supply curve: _____

 - c. Market supply curve: _____

3. What does a change in quantity supplied respond to? _____

4. Why does the supply curve shift to the left? _____

5. Name the seven factors that determine whether supplies increase or decrease.
 - a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
 - f. _____
 - g. _____
6. What is supply elasticity? _____

7. What characterizes an inelastic supply curve? _____

8. What changes does a unit elastic supply curve show? _____
