

Chapter 5: Supply Test Review

Vocab Words for Matching

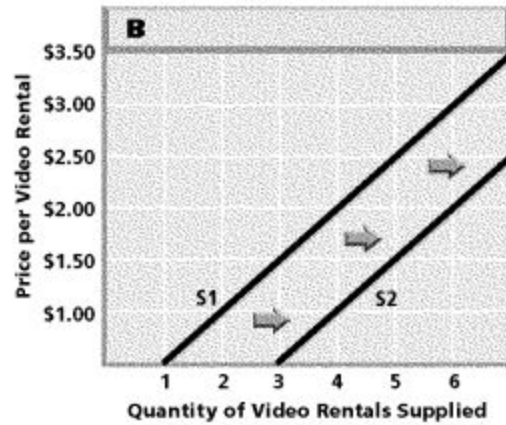
- variable cost
- supply curve
- supply
- fixed cost
- quantity supplied
- change in supply
- market supply curve
- Law of Supply
- total cost
- total revenue
- marginal cost
- break-even point
- diminishing returns
- subsidy
- total product
- supply elasticity

Price	Firm X	Firm Y	Firm Z
\$11	400	500	1,000
\$9	300	400	800
\$7	200	200	600
\$5	100	50	300
\$3	50	0	100
\$1	0	0	0

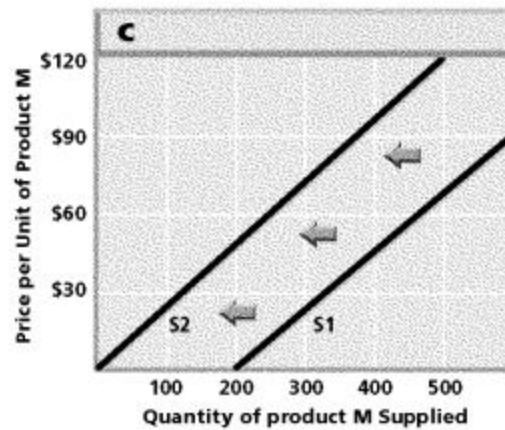
1. Based on the table above, at what price would the market supply of the good/service be 1,500?
2. Based on the table above, what is the market supply of the good/service at \$7?

Price per good/service	Quantity Supplied
\$10	100
\$12	300
\$14	500
\$16	700
\$18	900
\$20	1,100

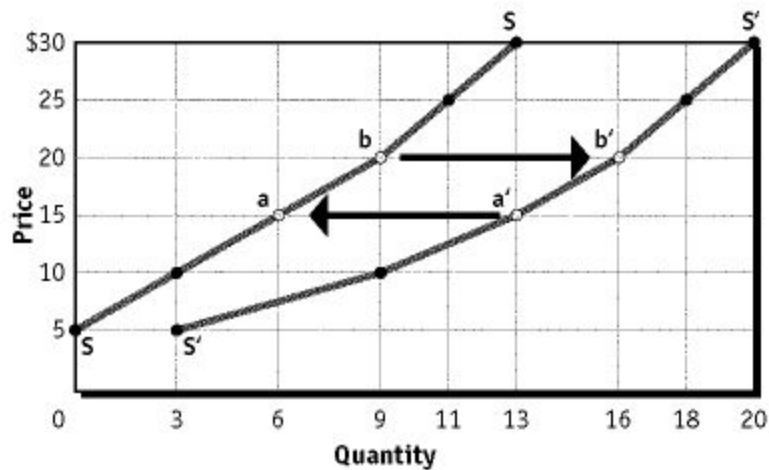
1. If you were to graph the supply schedule above, what would the supply curve look like? Draw it and describe the direction it slopes.



What could cause the shift in this graph? List ALL possibilities.



What could cause the shift in this graph? List ALL possibilities.



What does the movement in this graph indicate?

1. What happens to the market supply of a good/service if the price of that good/service goes up? Why does that happen?
2. What are the determinants of supply? Describe them and come up with an example for each.
3. Which direction does the supply curve shift if supply increases? Which direction does the supply curve shift if supply decreases?
4. What stage of production is a firm operating in if the rate of increase in total production begins to slow down?
5. How do you determine the variable cost of a worker by looking at a production and cost table?
6. What is known as the “variable” cost of production?

7. What is total cost a sum of?
8. How do you determine marginal revenue by looking at a production and cost table?
9. What are examples of fixed costs?
10. What are examples of variable costs?
11. What happens at stage one of production?
12. What happens at stage two of production?
13. What happens at stage three of production?