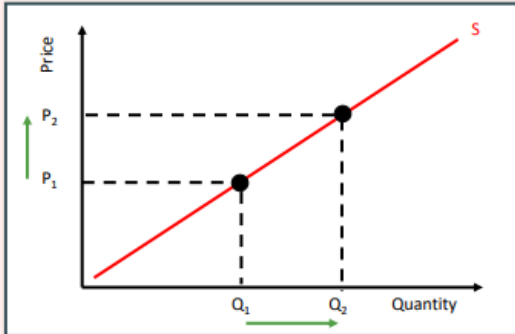


1.2.4. Supply

Supply

Quantity of a good or service that producers are willing to produce at any given price.

Supply Curve Movement



Profit Motive:

Price



Supply

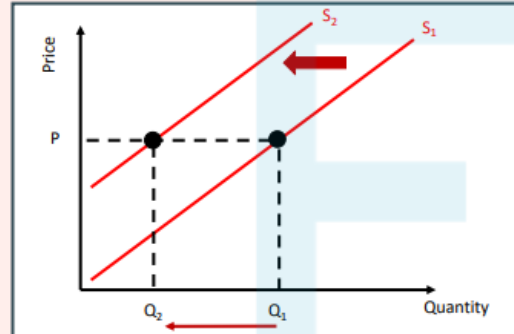


Profits



Positive Relationship

Inwards Shift



Factors:



Production Costs



Technology



Availability of Inputs

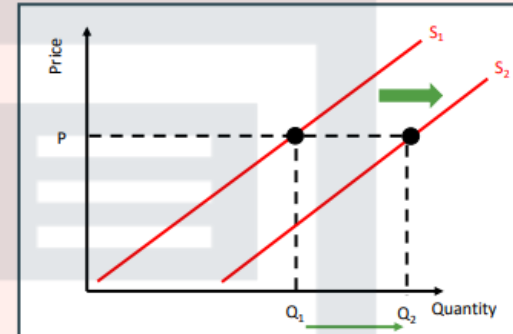


Indirect Taxation



Value of Subsidies

Outwards Shift



Factors:



Production Costs



Technology



Availability of Inputs



Indirect Taxation



Value of Subsidies

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Definitions:

Supply:

The quantity of a good or service that firms plan to sell at given prices in a given period of time.

Condition of supply:

A determinant of supply, other than the good's own price, that fixes the position of the supply curve

Increase in supply:

A rightward shift of the supply curve

Decrease in supply:

A leftward shift of the supply curve

Remember that a change in price is a movement **ALONG** the curve but a change in any other factor is a **SHIFT**