**Supply Practice Exercises**

Part A

1. If the price of honey increases, there will be an **(increase/decrease)** in the **(supply/quantity supply)** for honey.
2. If the price of bottled waters decreases, there will be an **(increase/decrease)** in the **(supply/quantity supply)** for waters.
3. If the federal government says that taxes on the production of fish will rise, the **(supply/quantity supply)** of fish will (**increase /** **decrease**).
4. Economists announce that the cost of oil will increase over the next six months. The **(supply/quantity supply)** of gasoline will (**increase /** **decrease**).
5. If the profits in the VR game system industry increases, the **(supply/quantity supply)** for Gameboys will (**increase /** **decrease**).
6. If the price of coffee beans is expected to go up in March, the **(supply/quantity supply)** for coffee will (**increase /** **decrease**) in February.
7. If new mobile technology allows for more portability and flexibility in the workplace, the **(supply/quantity supply)** of services and products will (**increase /** **decrease**).
8. If the number of airline carriers continues to decrease due to corporate mergers, the **(supply/quantity supply)** consumer friendly airline services will (**increase /** **decrease**).

Part B

Complete the table below. For each determinant of supply:

|  |  |
| --- | --- |
| **Determinant of supply** | **Supply increases or decreases?** |
| Number of sellers increases |  |
| Number of sellers decreases |  |
| Technology increases |  |
| Technology decreases |  |
| Price of resources increases |  |
| Price of resources decreases |  |
| Profit opportunities of other goods increases |  |
| Profit opportunities of other goods decreases |  |
| Taxes increase or subsidies decrease |  |
| Taxes decrease or subsidies increase |  |
| There is an expectation that the price of the product will soon fall |  |
| There is an expectation that the price of the product will soon rise |  |
| There is a fear that oil and other natural energy resources prices will rise in the future. What will happen to the supply of goods and services that use those resources? |  |
| The US Department of Agriculture has announced a decrease in subsidies to wheat farmers. What will happen to the production of wheat? |  |
| Companies like Netflix and Amazon announce record viewership and profits from their original content television shows. What will happen to the production of cable network shows? |  |
| Increased competition from mobile phones and smart watches indicates prices of tablets will fall in the future. What will happen to the production of tablets next year? |  |
| Toshiba has announced it will leave the personal computer market. What happens to the production of laptops? |  |

Part C

How do these factors affect suppliers’ desire to produce Sunny Sky orange juice?

|  |  |  |  |
| --- | --- | --- | --- |
| **Factor** | **Suppliers will want to produce \_\_\_\_ Sunny Sky orange juice.** | **This is called a change in the \_\_\_\_\_ Sunny Sky orange juice.** | **How would this change be shown on a graph for Sunny Sky orange juice?** |
| The price of oranges increases. | More  less | supply for    quantity supplied of | 1. Shift the supply curve to the right. 2. Shift the supply curve to the left. 3. Move down along the existing supply curve. 4. Move up along the existing supply curve. |
| The price of Sunny Sky orange juice falls. | More  less | supply for    quantity supplied of | 1. Shift the supply curve to the right. 2. Shift the supply curve to the left. 3. Move down along the existing supply curve. 4. Move up along the existing supply curve |
| The technology of making orange juice improves. | More  less | supply for    quantity supplied of | 1. Shift the supply curve to the right. 2. Shift the supply curve to the left. 3. Move down along the existing supply curve. 4. Move up along the existing supply curve |