

TUESDAY, FEBRUARY 23, 2016

◎ Bell Ringer:

UNL DREAM BIG

- Write the 4 supply determinants.
- Choose one of the determinants and explain the shift (increase or decrease) in the supply curve as a result of that determinant in a scenario you create.
- **EXAMPLE:** The restaurant received new ovens and fryers with increased speed and efficiency for their kitchen. The supply curve will increase (shift right) because of new technology (the determinant).

◎ Today:

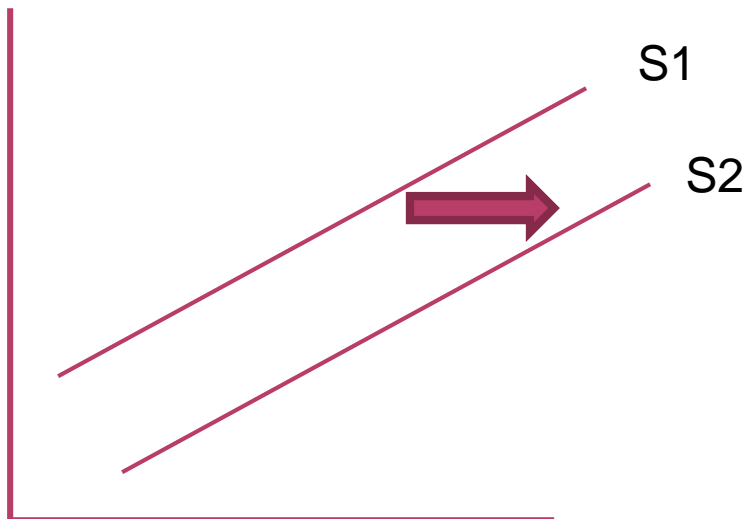
- Complete Supply Graphing Practice
- Today is the last day for Chapter 1/2 TEST and assignments
- JA Essay Reminder
- Chapter 7 Vocab assignment

SUPPLY GRAPHING PRACTICE

- Graph each of the following supply graphs. Then indicate which of the determinants caused the change.
- Use the same procedure as the demand graphing we did last week in class.

PROBLEM #1

- What will happen to the supply for LCD screens since they have developed new techniques for increased production? What is the determinant that caused the change?



Determinant:

Technology

Explanation:

If suppliers can use new techniques/technology to improve production, the supply of LCD screens will increase. (Increased production typically means more efficiency, less cost.)

PROBLEM #2

- What will happen to the supply of coffee when the wages for the pickers of coffee beans increases? What is the determinant that caused the change?



PROBLEM #3

- ◉ What will happen to the supply of gasoline when the government reduces the suppliers' excise taxes on gasoline? What is the determinant that caused the change?



PROBLEM #4

- What will happen to the supply for pineapples when the crops are ruined by a freeze? What is the determinant that caused the change?



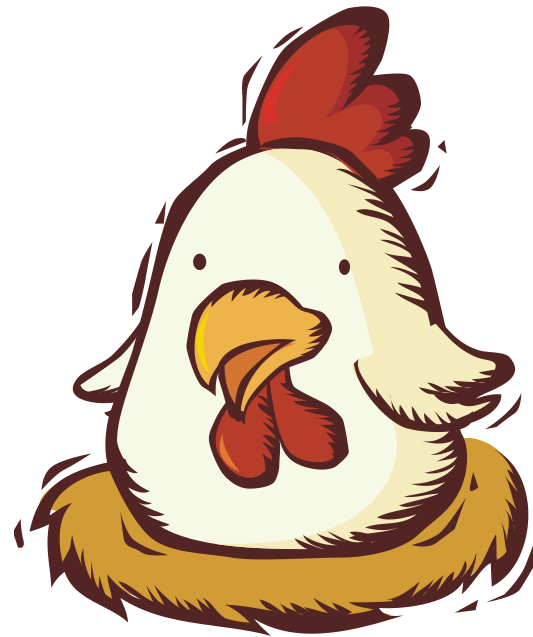
PROBLEM #5

- What will happen to the supply of dog food when a plant that makes both dog food and cat food discovers that cats are the new favorite household pet? What is the determinant that caused the change?



PROBLEM #6

- ◉ What will happen to the supply of chicken when Raising Canes is opening 3 new stores in town? What is the determinant that caused the change?



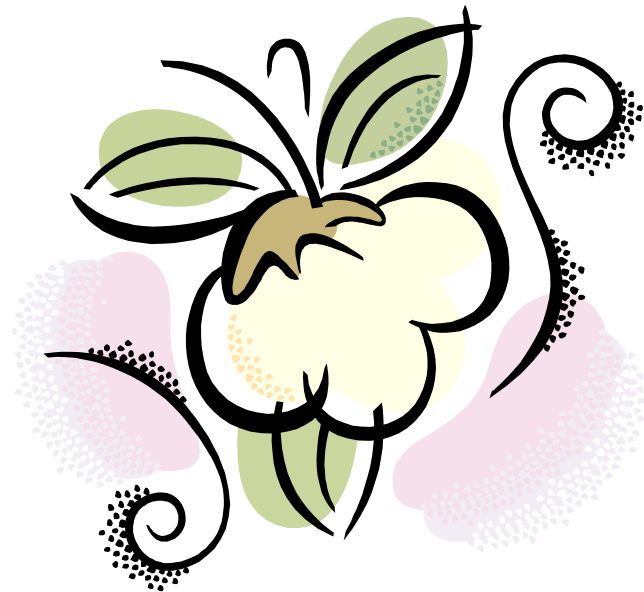
PROBLEM #7

- What will happen to the supply of cigarettes when the government wants to alleviate the harm of smoking by reducing the consumption of cigarettes, and raises its tax on them? What is the determinant that caused the change?



PROBLEM #8

- What will happen to the supply of cotton when the government wants to increase the production of cotton to export and decides to give monetary incentives to the cotton producers? What is the determinant that caused the change?



PROBLEM #9

- What will happen to the supply of running shoes when businesses hear that hiking is the new trend in the United States and they are able to produce running shoes and hiking shoes? What is the determinant that caused the change?



PROBLEM #10

- What will happen to the supply of American-made automobiles if Ford and General Motors go out of business? What is the determinant that caused the change?

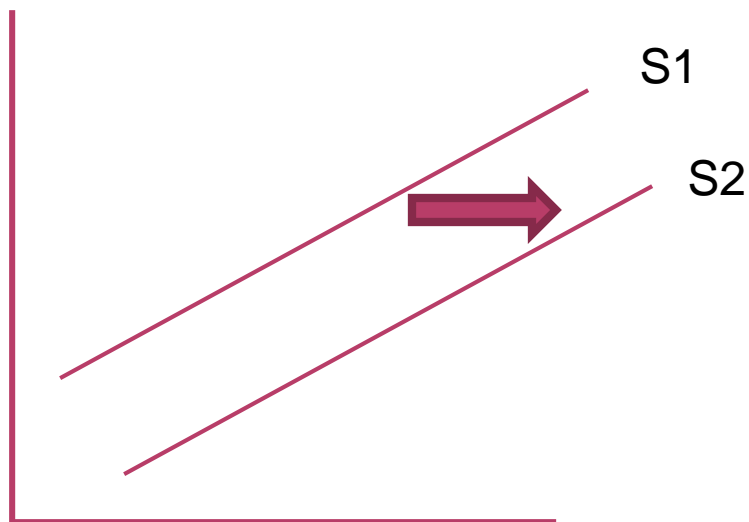


NOW LET'S FIND OUT HOW YOU DID. . . .

- ◉ Feel free to make any 'corrections' on your handout.
- ◉ You will turn these in when finished

PROBLEM #1

- What will happen to the supply for LCD screens since they have developed new techniques for increased production?



Determinant:

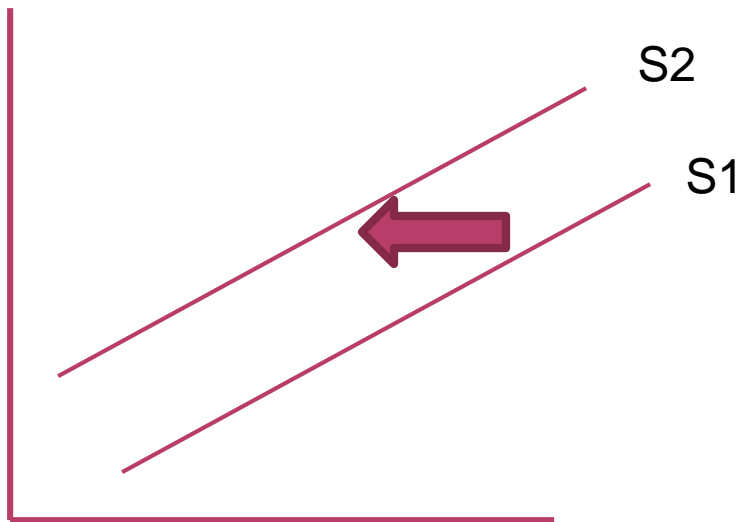
Technology

Explanation:

If suppliers can use new techniques/technology to improve production, the supply of LCD screens will increase. (Increased production typically means more efficiency, less cost.)

PROBLEM #2

- What will happen to the supply of coffee when the wages for the pickers of coffee beans increases?



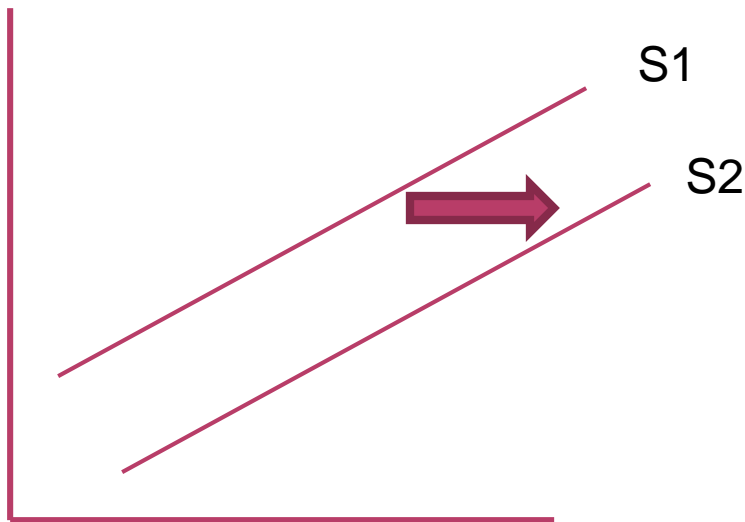
Determinant:

Price of inputs (wages)

Explanation: If the cost of inputs (wages) increase, the cost of production increases and suppliers will offer fewer coffee beans at every possible price.

PROBLEM #3

- What will happen to the supply of gasoline when the government reduces the suppliers' excise taxes on gasoline?



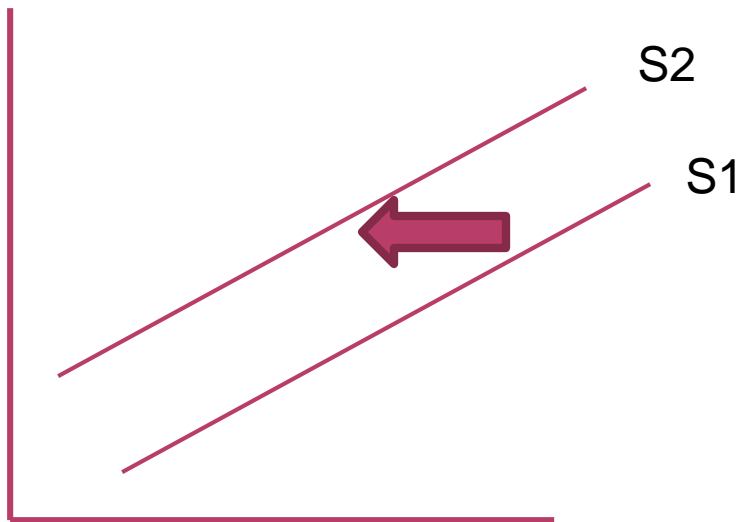
Determinant:

Taxes are decreased

Explanation: If taxes for gasoline suppliers are reduced, suppliers will be able to supply more because the overall cost of production will lower.

PROBLEM #4

- What will happen to the supply for pineapples when the crops are ruined by a freeze?



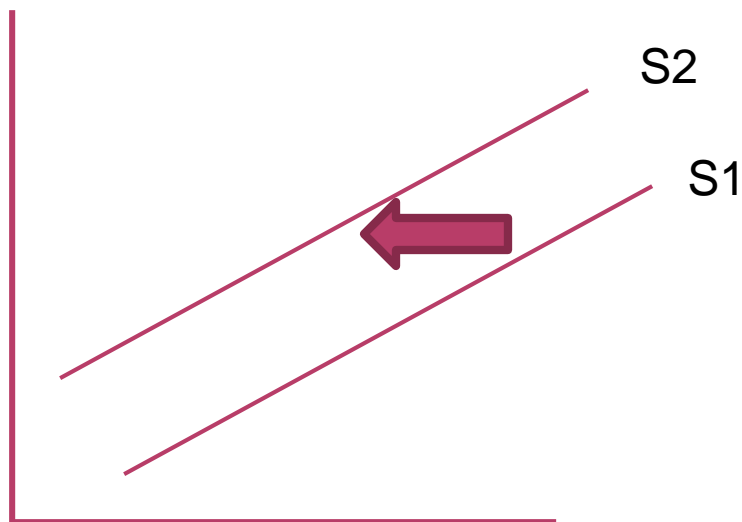
Determinant:

Price of inputs (raw materials)

Explanation: Because there will be fewer pineapples available for suppliers to supply to consumers, there will be an increase in price of raw materials (pineapples).

PROBLEM #5

- What will happen to the supply of dog food when a plant that makes both dog food and cat food discovers that cats are the new favorite household pet?



Determinant:

of firms

Explanation: It is likely that some producers of dog food will leave the market or reduce the amount of dog food being supplied. Sellers in a free-market economy are entering and leaving the market all the time.

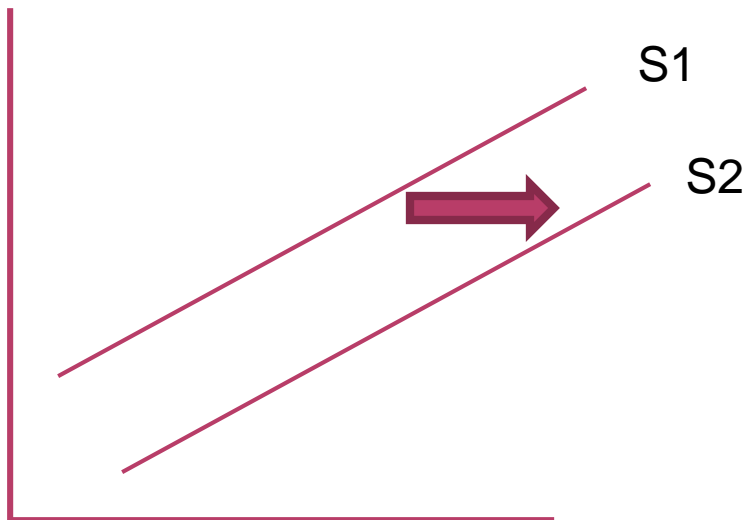
PROBLEM #6

- What will happen to the supply of chicken when Raisin' Canes is opening 3 new stores in town?

Determinant:

of firms

Explanation: As more Raisin' Cane stores open, the supply of chicken will increase and the supply curve shifts to the right. The larger the number of restaurants, the greater the market supply.

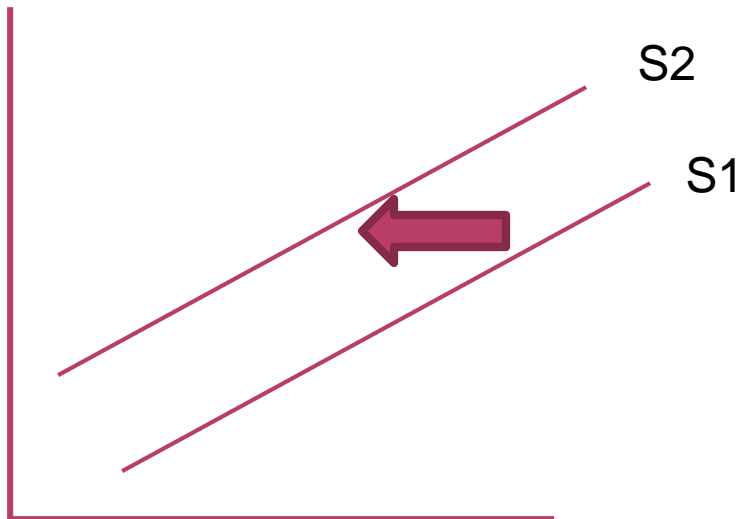


PROBLEM #7

- What will happen to the supply of cigarettes when the government wants to alleviate the harm of smoking by reducing the consumption of cigarettes, and raises its tax on them?

Determinant:

taxes



Explanation: As the government imposes more taxes on the production of cigarettes, cigarette producers will not be willing to supply as many as before because the cost of production will rise. There will be a decrease in supply of cigarettes.

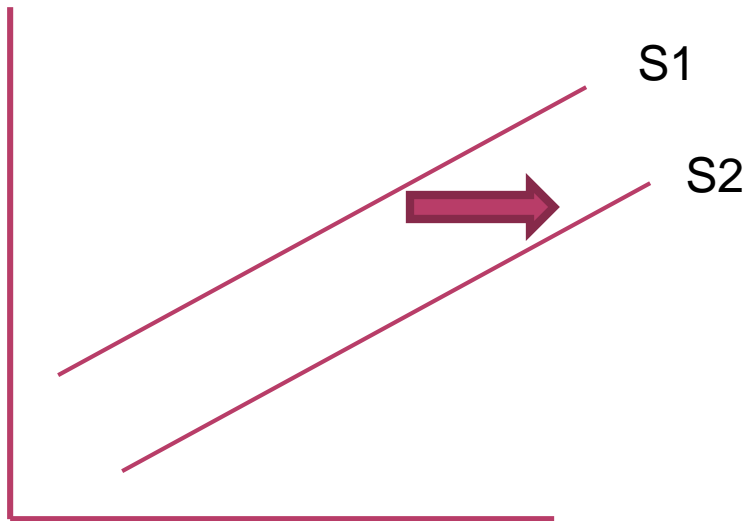
PROBLEM #8

- What will happen to the supply of cotton when the government wants to increase the production of cotton to export and decides to give monetary incentives to the cotton producers?

Determinant:

Price of inputs

Explanation: The cost of production will be lowered with the monetary incentives thus the supply will shift to the right.



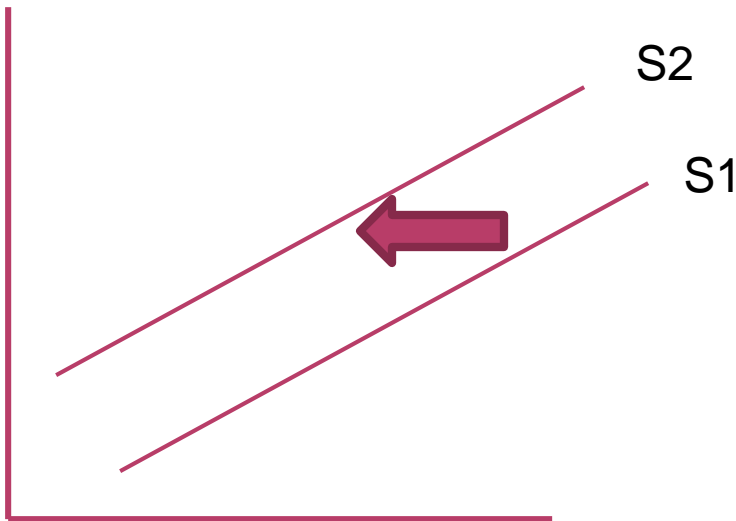
PROBLEM #9

- What will happen to the supply of running shoes when businesses hear that hiking is the new trend in the United States and they are able to produce running shoes and hiking shoes?

Determinant:

Number of firms in industry

Explanation: More firms will take advantage of the hiking trend and there will be fewer firms in the running industry creating a shift to the left.



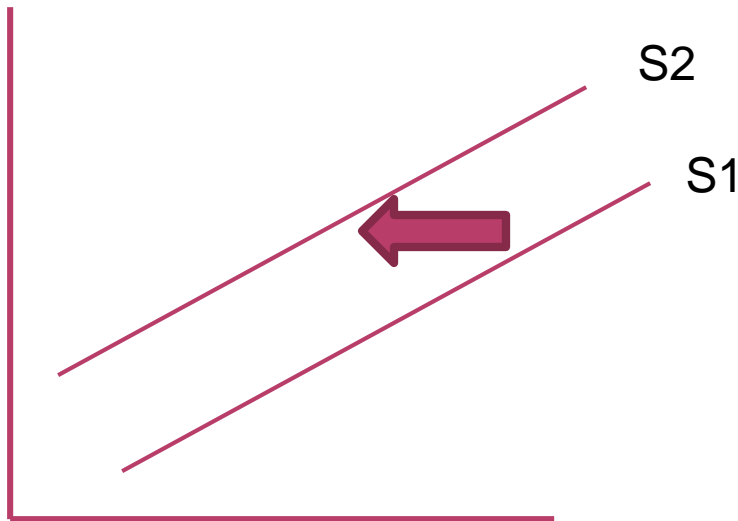
PROBLEM #10

- What will happen to the supply of American-made automobiles if Ford and General Motors go out of business?

Determinant:

Number of firms in industry

Explanation: With fewer firms supplying American-made autos, the shift of the supply curve will move left.



WEDNESDAY, SEPTEMBER 25, 2013

- Bell Ringer: List the four supply determinants that affect producer's supply of products to consumers.
 - Choose one of the determinants and explain the shift (increase or decrease) in the supply curve as a result of that determinant in a problem you create.
 - **EXAMPLE:** The restaurant received new ovens and fryers with increased speed and efficiency for their kitchen. The supply curve will increase (shift right) because of new technology (the determinant).
- **TODAY:**
 - **PRACTICE "THE LAW OF DIMINISHING RETURNS"**