

Allocation of Resources - Supply

Name: _____

Date: _____

1. What is meant by 'supply'?
 - A. the willingness and ability to buy a product
 - B. the willingness and ability to sell a product
 - C. the availability of a product
 - D. how much of a product that have been sold

2. What is meant by an 'extension in supply'?
 - A. a rise in quantity supplied caused by a rise in price
 - B. a fall in quantity supplied caused by a fall in price
 - C. a rise in quantity supplied caused by a fall in price
 - D. a fall in quantity supplied caused by a rise in price

3. What is meant by a 'contraction in supply'?
 - A. a rise in quantity supplied caused by a rise in price
 - B. a fall in quantity supplied caused by a fall in price
 - C. a rise in quantity supplied caused by a fall in price
 - D. a fall in quantity supplied caused by a rise in price

4. What is meant by a 'change in supply'?
 - A. changes in demand that cause the supply to change
 - B. a change in prices leading to movement on the supply curve
 - C. a change in prices leading to a shift of the supply curve
 - D. changes in supply conditions (non-price factors) leading to shifts in supply curve

5. State the difference between extension/contraction of supply and change in supply

6. List at least 3 factors that affect the supply conditions
