

# 8

## Supply

- 1 The willingness and ability of firms to supply goods and services at a given price is known as  
A demand.                      B equilibrium.                      C supply.                      D the law of supply.
- 2 Which statement suggests why there might be a fall in the market supply of coal?  
A Consumer incomes have fallen.  
B New technologies mean customers have switched to alternative energy sources.  
C The price of coal has increased.  
D There is a discovery of new coal supplies.
- 3 Which factor does **not** shift the supply curve of motor cars to the right?  
A an increase in household disposable incomes  
B high volume of stocks (inventories) of motor cars  
C improved technologies that enable cars to be produced at a faster rate  
D lower costs of production from moving production facilities to where labour is more affordable
- 4 Which will cause a contraction in the supply of tomato sauce?  
A a fall in the price of tomato sauce                      C a poor harvest of tomatoes  
B an increase in sales taxes of food products                      D fewer farmers growing tomatoes
- 5 Which is **not** a determinant of supply?  
A income                      B price                      C productive capacity                      D time
- 6 Explain why an ordinary supply curve is upwards sloping. [2 marks]

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- 7 Explain the difference between a *movement* and a *shift* in supply. [4 marks]

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**8 SUPPLY**

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**8** Explain **two** factors that might shift the supply curve of motor vehicles. [4 marks]

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**9** Using an appropriate supply diagram, explain the impact on the supply of textbooks following subsidies being awarded to educational publishers. [4 marks]

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**10** Use an appropriate diagram to analyse how the imposition of a tax on suppliers of oil (petrol) affects the quantity supplied. [6 marks]

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