

# GUIDED READING Activity 5-1

For use with textbook pages 113–120

## WHAT IS SUPPLY?

### RECALLING THE FACTS

**Directions:** Use the information in your textbook to answer the questions. Use another sheet of paper if necessary.

1. What does the Law of Supply state? \_\_\_\_\_  
\_\_\_\_\_
2. Explain how each of the following tools can help businesses make production decisions.
  - a. Supply schedule: \_\_\_\_\_  
\_\_\_\_\_
  - b. Supply curve: \_\_\_\_\_  
\_\_\_\_\_
  - c. Market supply curve: \_\_\_\_\_  
\_\_\_\_\_
3. What does a change in quantity supplied respond to?  
\_\_\_\_\_
4. Why does the supply curve shift to the left? \_\_\_\_\_
5. Name the seven factors that determine whether supplies increase or decrease.
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
  - e. \_\_\_\_\_
  - f. \_\_\_\_\_
  - g. \_\_\_\_\_
6. What is supply elasticity? \_\_\_\_\_
7. What characterizes an inelastic supply curve? \_\_\_\_\_  
\_\_\_\_\_
8. What changes does a unit elastic supply curve show?  
\_\_\_\_\_