

Supply — Worksheet

The supply curve · movements along it and shifts of it · what shifts supply · price elasticity of supply · what influences it · short run and long run

Name: _____

Class: _____

Date: _____

DEFINE price elasticity of supply and stock · **CALCULATE** price elasticity of supply, and a new quantity supplied · **DRAW** the effect of an ad valorem tax on the supply curve · **EXPLAIN** how costs, new technology, taxes, subsidies and natural disasters change supply · **DISCUSS** whether a firm's price elasticity of supply is likely to rise in the long run · **EVALUATE** the factors that influence price elasticity of supply

Sitting 1 — Topic practice

30 marks

MULTIPLE CHOICE Task 1 — Six questions on supply

6 marks

Choose one answer for each question.

1. Supply is best defined as:

- A The quantity producers are willing and able to sell at each price
- B The amount of a good that producers have in their warehouses
- C The quantity of a good that buyers wish to purchase
- D The total amount of a good that exists in a market

Answer:

2. The price of a good rises, with nothing else changing. This causes:

- A A shift of the supply curve to the left
- B An extension of supply along the existing curve
- C No change in either supply or quantity supplied
- D A shift of the supply curve to the right

Answer:

3. An increase in wages in the clothing industry, ceteris paribus, would:

- A Increase the supply of clothing
- B Decrease the supply of clothing
- C Cause an extension of supply of clothing
- D Increase the demand for clothing

Answer:

4. A price elasticity of supply (PES) of 0.4 tells you that:

- A The quantity supplied changes by a larger percentage than the price
- B The quantity supplied falls when the price rises
- C The quantity supplied does not change when the price changes
- D The quantity supplied changes by a smaller percentage than the price

Answer:

5. The supply of fresh cut flowers is price inelastic mainly because:

- A Growers face high transport costs to reach the market
- B Flower growers are unwilling to expand production
- C The output perishes and cannot be stored for a better price
- D Flowers are sold only through specialist retailers

Answer:

6. In economics, the short run is defined as the period in which:

- A A firm has been trading for less than one year
- B Output cannot be changed at all
- C At least one factor of production is fixed
- D Prices are held constant by the market

Answer:

DEFINE Task 2 — The meaning of price elasticity of supply

2 marks

Define the term price elasticity of supply.

price elasticity of supply

How is price elasticity of supply different from the law of supply? (practice, not marked)

EXPLAIN Task 3 — Overtime at a chair maker

4 marks

Pemba Chairs makes 50 wooden chairs a week in its normal working hours. To make more than 50, it must pay its workers for overtime, at a higher rate of pay.

Explain why Pemba's supply curve for chairs slopes upward.

Begin with what happens after the first 50 chairs.

CLASSIFY Task 4 — Eight events at a juice maker

8 marks

Sola Juice makes orange juice in cartons. Each event below happens on its own, and nothing else changes.

Classify each event by its effect on Sola Juice's supply of orange juice.

Key: Extension of supply · Contraction of supply · Increase in supply · Decrease in supply

#	What happens	Effect on supply
1	The price of a carton of juice rises	

#	What happens	Effect on supply
2	The price of a carton of juice falls	
3	Sola's workers are paid higher wages	
4	A new machine squeezes the oranges in half the time	
5	The government puts a tax of \$0.10 on every carton sold	
6	The government pays Sola \$0.15 for every carton it sells	
7	The price of oranges, which Sola buys to make its juice, falls	
8	A flood damages two of the three machines in Sola's factory	

CALCULATE
Task 5 — PES at a maker of clay pots
4 marks

Tolu Pots makes clay pots. When the price of a pot rises from \$30 to \$36, its quantity supplied rises from 500 to 650 pots a month. Nothing else changes.

Calculate the PES of Tolu Pots, to one decimal place.

Percentage change in quantity supplied, and in price

Workings

Answer: %

Price elasticity of supply

Workings

Answer:

Measure each percentage change from the value before the change.

ANALYSE Task 6 — Glassblowers and the supply of glass**6 marks**

Vela Glass makes hand-blown glass in the town of Ardo. A new glassblower needs about four years of training. Skilled glassblowers in other towns will not move to Ardo, because homes in Ardo cost too much. The price of hand-blown glass rises.

Analyse why Vela's supply of hand-blown glass is likely to be price inelastic over the next year.

Knowledge — explain how mobility of factors affects supply (2)

Application — use two facts about Vela and Ardo (2)

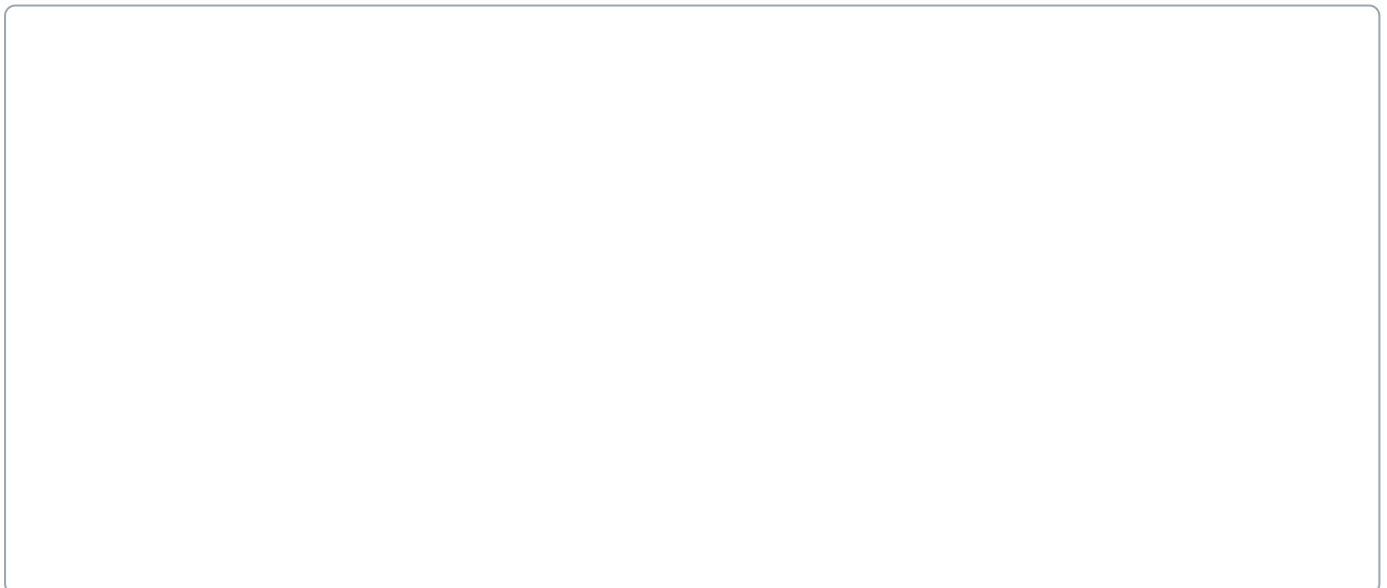
Analysis — your chain of reasoning (2)

Start from what Vela needs before it can make more glass.

Sitting 2 — Mock section**74 marks****DRAW Task 7 — A diagram of an ad valorem tax****4 marks**

The government of Kemia puts a tax of 10% of the price on every pair of shoes sold.

Draw a supply diagram showing the effect of this tax on the supply of shoes.



EXPLAIN**Task 8 — A new oven at a bakery****4 marks**

Fima Bakery buys a new oven that bakes each loaf in half the time, using less fuel. The price of a loaf does not change.

Explain the likely effect of the new oven on Fima Bakery's supply of bread.

CALCULATE**Task 9 — Paint supplied after a price rise****4 marks**

Mora Paints supplies 6,000 tins of paint a week. Its paint has a PES of 0.8. The price of a tin rises by 5%, and nothing else changes.

Calculate the number of tins Mora Paints supplies each week after the price rise.

Percentage change in quantity supplied

Workings

Answer: %

Tins supplied each week after the price rise

Workings

Answer:

EXPLAIN Task 10 — A fishing quota on a lake

4 marks

The fishing boats on Lake Tumi have a quota: together they may catch at most 300 tonnes of fish a season. By June, they have caught 260 tonnes. Then the price of fish doubles.

Explain why the supply of fish from Lake Tumi is likely to be price inelastic for the rest of the season.

EXPLAIN Task 11 — One small maize farm in a large market

4 marks

Pola is a small farm that sells maize in a large market. Over several seasons, Pola can plant more land. Each extra sack of maize costs about the same to grow as the last one. The market price just covers that cost.

Explain why Pola's supply of maize is likely to be perfectly elastic over several seasons.

Source: Hatari Coffee in Lenta

- 1 Hatari Coffee grows coffee beans in Lenta, a small country. It sells its beans to firms that roast coffee. A coffee tree gives its first beans about four years after it is planted. Hatari's workers pick the beans by hand, and the work needs little training.
- 2 In 2025, the price of a kilo of beans rose from \$4.00 to \$5.00. Hatari asked its workers to pick for longer hours. It also sold some of its stock of beans from 2024. Nothing else that affects Hatari's supply changed in 2025. Figure 1 shows the quantity of beans that Hatari supplied.
- 3 In March 2026, the price of fertiliser rose by 50%. Fertiliser is one of Hatari's main costs of production. In May, heavy rain caused landslides that destroyed 200 of Hatari's 2,000 coffee trees.
- 4 The government of Lenta wants growers to produce more coffee. It plans to pay growers a subsidy of \$0.30 for each kilo of beans they sell. Hatari's owner says she will plant 500 new trees if the price of beans stays high. Other growers in Lenta are waiting to see what happens to the price.

Figure 1: Hatari Coffee, 2024 and 2025

Year	Price of beans (\$ a kilo)	Beans supplied (kilos a year)
2024	4.00	80,000
2025	5.00	92,000

DEFINE Task 12 — The meaning of stock**2 marks**

Define the term 'stock' (paragraph 2).

stock

EXPLAIN Task 13 — The rise in the price of fertiliser**4 marks**

With reference to paragraph 3, explain one likely effect of the rise in the price of fertiliser on Hatari's supply of coffee beans.

ANALYSE Task 14 — The planned subsidy for coffee growers**6 marks**

With reference to the source, analyse the likely effect of the subsidy on Hatari's supply of coffee beans.

Knowledge — explain what a subsidy does to supply (2)

Application — use two numbers or facts from the source (2)

Analysis — one chain of reasoning (2)

EXAMINE Task 15 — The impact of the landslides**8 marks**

With reference to the source, examine the likely impact of the landslides on Hatari's supply of coffee beans.

Knowledge — explain how a natural disaster affects supply (2)

Application — use two numbers or facts from the source (2)

Analysis — one chain of reasoning (2)

Evaluation — say what the impact depends on (2)

DISCUSS Task 16 — The long run at Hatari Coffee

14 marks

With reference to the source, discuss whether Hatari's price elasticity of supply for coffee beans is likely to rise in the long run.

Knowledge — name two economic ideas that you use (2)

Application — use two numbers or facts from the source (2)

Analysis — two chains of reasoning (4)

Evaluation — weigh the arguments and say what they depend on (6)

EVALUATE Task 17 — New homes in Vara

20 marks

"In the city of Vara, the average price of a new home rose by 50% between 2022 and 2025. Over the same years, the number of new homes finished each year rose by only 10%. Construction firms say they cannot find enough skilled workers, and every new home needs the city's permission."

Evaluate the factors that are likely to affect the PES of new homes in Vara.

Knowledge — define price elasticity of supply, and name three factors that influence it (3)

Application — apply each of the three factors to new homes in Vara (3)

Analysis — one chain of reasoning for each factor (6)

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

Write the one sentence that answers Task 17's question.



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