Name _____

Cost Chronicles: The Impact of Production Costs on Supply

Open-Ended Response Questions

1. Imagine you run a small bakery, and the price of sugar, a key ingredient in your baked goods, has doubled. How would this increase in production costs affect your business decisions regarding the supply and prices of your products?

2. Discuss a real-life example of a product or service where changes in production costs led to significant price changes, affecting consumer behavior.

3. Why is it important for businesses to carefully consider how they respond to changes in production costs, especially when it comes to raising prices for consumers?

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