

Name _____

Cost Chronicles: The Impact of Production Costs on Supply

Multiple Choice Answer Key

1. b) The expenses that businesses incur when making products or providing services.

2. b) Higher production costs lead to a decrease in supply.

3. a) The price of raw materials and the cost of labor.

4. b) By passing on some or all of the cost increase to consumers through higher prices.

5. a) They may engage in price wars to offer the lowest prices.

