

Name _____

Shift Happens: Factors that Influence Supply Curve

Short Answer Key

1. A decrease in production costs can lead to a rightward shift in the supply curve because it allows businesses to produce more of a product at the same price or maintain the same quantity of production at a lower price, ultimately increasing supply.
2. An example of a government regulation that could cause a leftward shift in the supply curve is strict environmental regulations that require industries to reduce emissions. These regulations can increase production costs and limit the supply of certain products.
3. A natural disaster, such as a hurricane or earthquake, can disrupt production by damaging infrastructure, disrupting supply chains, or causing crop damage. This disruption can lead to a decrease in the supply of affected products and result in a leftward shift in the supply curve.
4. An increase in the number of producers can influence the supply curve by causing it to shift to the right. With more producers entering the market, the total quantity supplied of a product can increase, leading to a rightward shift as the supply curve reflects this higher supply.

