

Name _____

The Supply Sizzle: Unraveling the Law of Supply and Its Role in Production

Multiple Choice Questions

1. What does the Law of Supply state?
 - a) As the price of a product increases, the quantity supplied decreases.
 - b) As the price of a product increases, the quantity supplied remains the same.
 - c) As the price of a product increases, the quantity supplied also increases.
 - d) As the price of a product decreases, the quantity supplied also decreases.

2. What factors can influence a producer's decision on how much to supply?
 - a) Producers' moods and personal preferences.
 - b) Production costs, technology, government regulations, and expectations.
 - c) The popularity of the product on social media.
 - d) The number of competitors in the market.

3. Which way does the supply curve slope, and what does it represent?
 - a) It slopes upwards from left to right, indicating that as price rises, quantity supplied decreases.
 - b) It slopes downwards from left to right, indicating that as price rises, quantity supplied increases.
 - c) It slopes upwards from left to right, indicating that as price rises, quantity supplied increases.
 - d) It slopes downwards from left to right, indicating that as price rises, quantity supplied remains the same.

4. What can cause a shift in the supply curve?
 - a) Changes in price.
 - b) Changes in factors other than price, like technology or government regulations.
 - c) Changes in demand.
 - d) Changes in the weather.

5. How do retailers use the Law of Supply to attract customers during sales and discounts?
 - a) By increasing prices to maximize profits.
 - b) By clearing out excess inventory at lower prices to encourage more purchases.
 - c) By reducing the quantity supplied to create scarcity.
 - d) By not offering any discounts at all.

