

Name _____

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

Short Answer Key

1. The cost of production might influence the quantity of a product supplied by producers because if production costs are high, producers may be less inclined to supply a large quantity of the product unless they can charge a higher price to cover their expenses.
2. Advances in technology can impact the quantity of goods supplied by producers by making production more efficient and lowering costs. This allows producers to supply more goods at lower prices, increasing overall supply.
3. Retailers often use sales and discounts to clear out excess inventory because lower prices encourage more purchases, aligning with the Law of Supply. This strategy helps retailers avoid holding onto unsold goods for an extended period.
4. A limited-edition product is one that is intentionally produced in limited quantities to create high demand and higher prices. It relates to the Law of Supply because limited supply can lead to increased prices due to increased demand.

