Answer Key

Chapter 5

Section 1

Reading Study Guide

1. the willingness and ability of a producer to offer goods and services for sale
2. the correlation between supply and price that states when price goes down, quantity supplied decreases, and when price goes up, quantity supplied increases
3. Individual Supply Schedule--two-column table showing how much of a good or service one producer will offer at particular prices
4. Market Supply Schedule--two-column table showing how much of a good or service a group of producers will offer at particular prices
5. Supply Curves
6. Individual Supply Curves--a graph that shows how much of a good or service an individual producer is willing and able to offer at certain prices; it is based on an individual supply schedule
7. Market Supply Curves--a graph that shows how much of a good or service a large group of producers is willing and able to offer at certain prices; it is based on a market supply schedule

Mark It Up!

8. The graph should be labeled as an individual supply curve. The smaller quantities along the horizontal axis indicate this
9. When the pay rate goes from $5.00 per hour to $8.50 per hour, the hours offered increase by 8 hours; when the pay rate goes from $5.00 per hour to $10.00 per hour, the hours offered increases by 12 hours.
10. The number of hours the producer would be likely to offer would increase.
11. A student might have a limited number of hours that he or she could offer for working. Therefore, supply might not increase beyond a certain point, no matter the price.

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