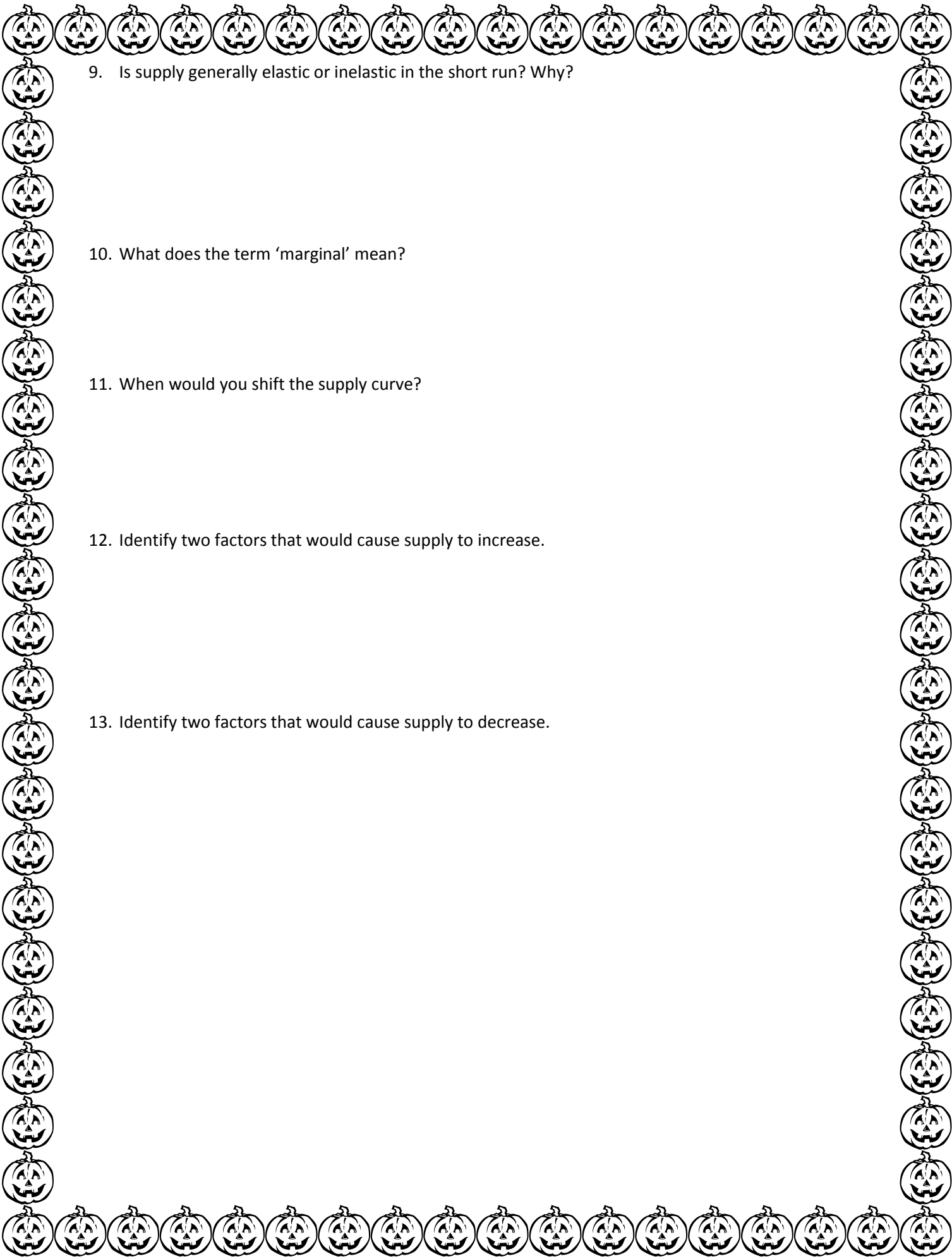


Name: _____

Economics – R

Chapter 5 Review Sheet/Study Guide – DO BOTH SIDES

1. What is the law of supply? (what variables are being compared?)
2. Whose point of view does supply look at? What motivates those people?
3. What is profit? When would this happen?
4. Explain fixed costs & give at least 3 examples.
5. Explain variable costs & give at least 3 examples.
6. When do firms shut down?
7. What are subsidies? What effect do they have on supply?
8. What is meant by elasticity of supply?

A decorative border of pumpkins with carved faces surrounds the text. The pumpkins are arranged in a rectangular frame, with the top and bottom rows being complete, and the left and right sides having gaps where the questions are located.

9. Is supply generally elastic or inelastic in the short run? Why?

10. What does the term 'marginal' mean?

11. When would you shift the supply curve?

12. Identify two factors that would cause supply to increase.

13. Identify two factors that would cause supply to decrease.