

VIDEO CLIP: “Dirty Jobs”

This is CRUCIAL: As you watch the video, do not talk with anyone about it. As you answer the question that will be posted below, **DO SO IN TOTAL SILENCE. I want your true answer, with as little effect as possible from anyone else in the room.**

WRITE YOUR ANSWER IN PRIVATE ON A SCRAP OF PAPER:

How much money would you need to be *paid per hour* to do this job for 40 hours per week?

How Supply is Different Than Demand

The motivation for DEMAND is to save money. Consumers will buy more of a product as the price becomes lower (Law of Demand).

Is there anyone in class who has experience either running a business, or who knows someone who runs a business and has observed their business or spoken with them about it?

QUESTION: *What do you think the motivation for SUPPLY is?*

The motivation for SUPPLY is to maximize profit. As we proceed with studying supply, think from this perspective: “Am I going to profit if I provide this supply?”

PRICE ↑
Q.S. ↑

LAW OF SUPPLY

↓ PRICE
↓ Q.S.

The principle that suppliers will normally offer more for sale at higher prices and less at lower prices.

In other words: *When the price goes up, quantity supplied goes **up**.*

Likewise, *when the price goes down, quantity supplied goes **down**.*

Demonstrating understanding on your paper . . .

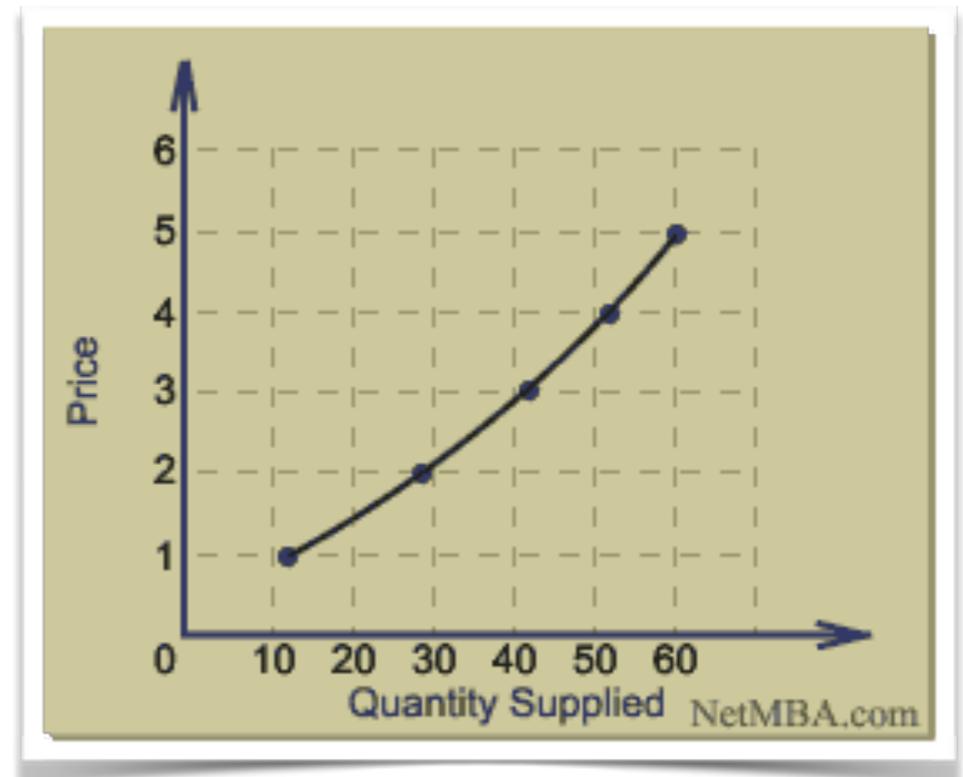
1. Create a supply schedule (see at right). First, write the price points.

Then fill in the quantity supplied **(example in textbook on p. 114)**.

2. Create a supply curve based upon your supply schedule.

Remember: zero point, label both axes, label hash marks, plot the points, draw the curve.

	PRICE	Quantity Supplied
A		
B		
C		
D		
E		



JUST AN EXAMPLE