

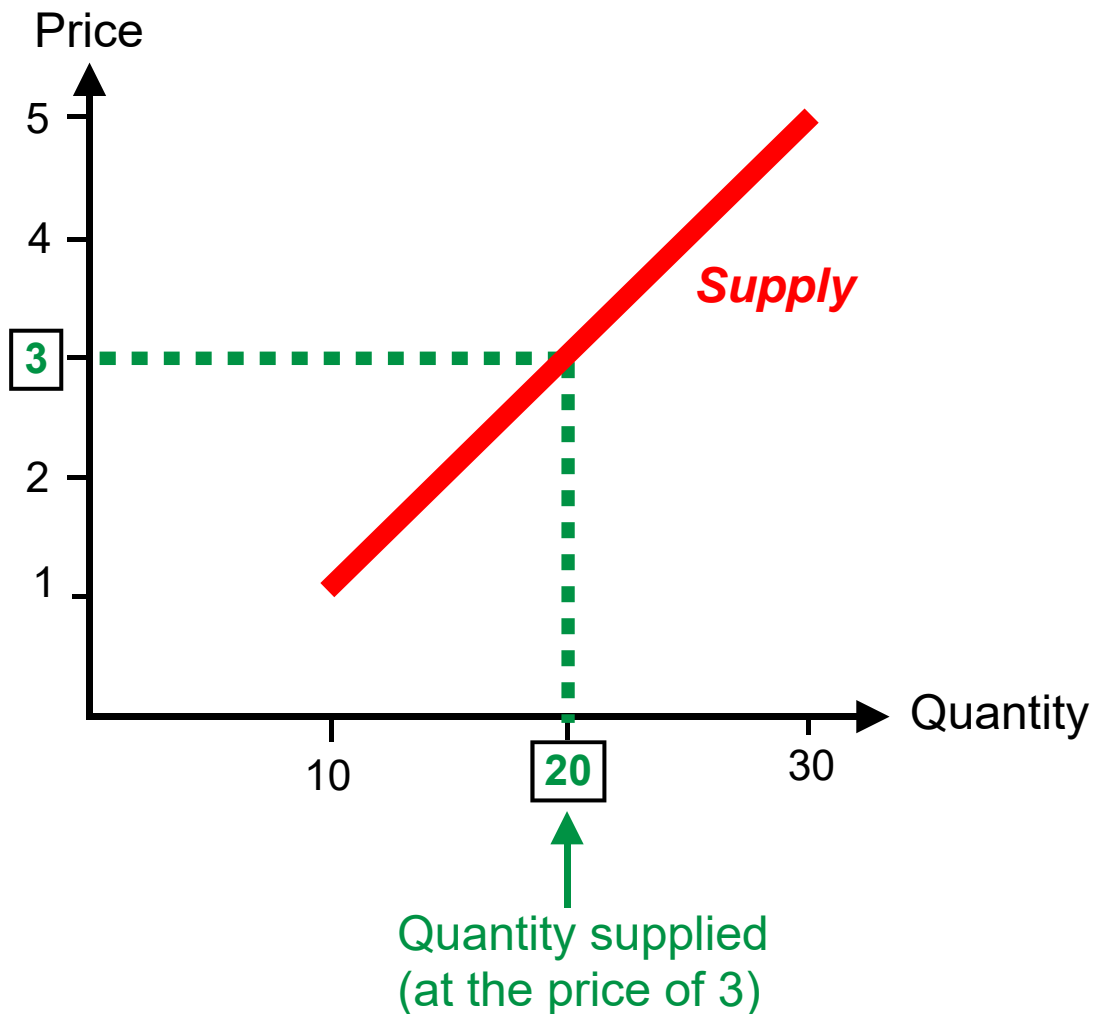
Supply and quantity supplied

1 Example of a market

<u>Price</u>	<u><i>Supply</i></u>
1	10
2	15
<u>3</u>	<u>20</u>
4	25
5	30

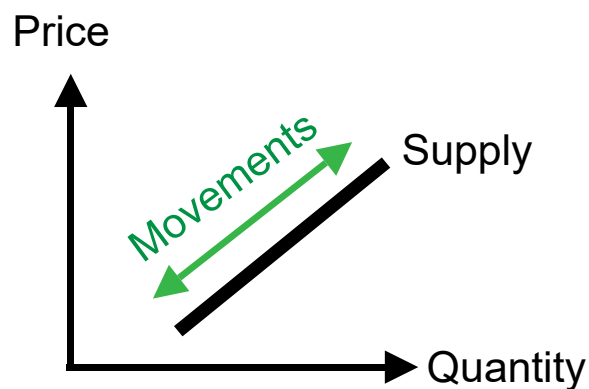
quantity supplied
at the price of 3

and the graph:



2 Additional comments

- 'Supply' refers to the entire supply curve, while 'quantity supplied' represents a certain point on the supply curve (e.g. at the price x , the quantity supplied is y).
- The distinction between 'supply' and 'quantity supplied' is important for the following reasons:
 - Changes in the **price** of a good increases or lowers the **quantity supplied** for that good. It is a movement along the constant supply curve.



- Changes in **other variables**, such as input prices, productivity, government intervention or the number of suppliers, bring about a new position of the **supply curve**. This curve shifts to the right or to the left.

