4- The following is a supply schedule for corn:

Price Per Bushel	Quantity Supplied a	b
$4.00	1600	1500
3.75	1400	1300
3.50	1200	1100
3.25	1000	900
3.00	800	700
2.75	600	500
2.50	400	300

a- Plot the supply curve on the diagram

- The supply curve is plotted with Price per Bushel on the vertical (Y) axis and Quantity Supplied on the horizontal (X) axis

b- Is there a positive or negative relationship between the price of corn and the quanity of corn supplied? Explain.

- There is a positive relationship
Explanation: The Law of Supply states that ceteris Paribus (all other things equal) as the Price of a good increases the quantity supplied of that good increases and as the price decreases the quantity supplied decreases

C- Suppose a serious drought reduces corn output at each price by 100,000 bushels. Show the impact in column (b) above by completing the table

- We subtract 100 from every value in the original Quantity Supplied Column.

d- Plot the new supply curve from column b on the diagram from part a.

- The new ~~spp~~ supply curve (from column b) will be plotted using the prices and the new quantities. This curve will lie to the left of the orginal supply curve. representing a decrease in supply

5- List five nonprice determinants of supply:

1- Input Prices 2- Technology 3- Taxes and Subsidie

4- Producer Expectation 5- Number of Sellers

6

1- Increase in the price of hamburger meat ———— L

2- Increase in the price of hamburger ———— U

3- Increase in the price of chicken nuggets ———— L

4- Increase of new cost-saving technology ———— R
hamburger industry