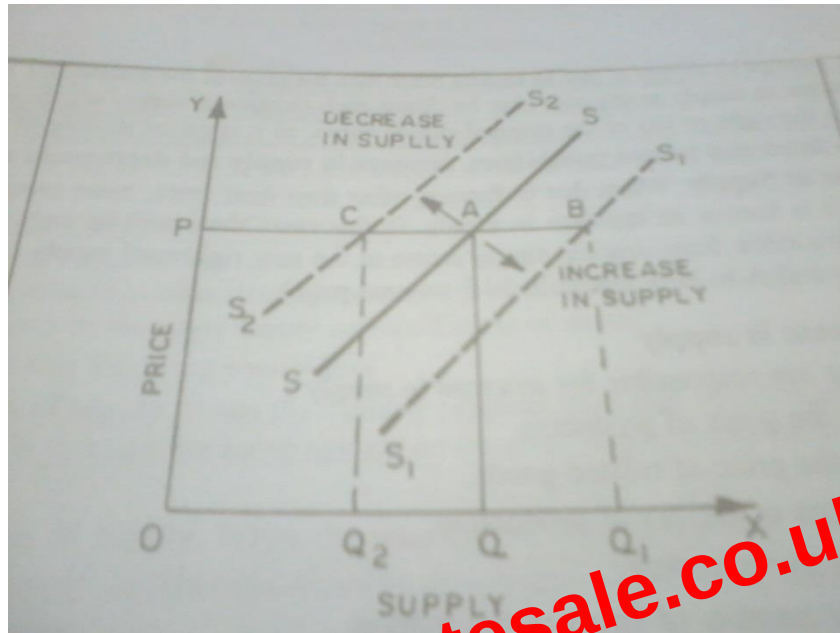




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Page 3 of 4

Increase in supply - From SS to S1S1 .From point A to B.

Decrease in supply- From SS to S2S2.From point A to C.

Causes for increase in supply

1. Change in objective of firm
2. Increase in price of related goods
3. Fall in price of factor of production
4. Innovative technology
5. Emergence of new market
6. Subsidy offer by government
- 7 Expected fall in price

Causes for decrease in supply

1. Change in objective of firm
2. Rise in price
3. Rise in price of factor of production
4. Fall in level of technology