SUPPLY FUNCTION

Supply function involve the use of algebraic expression which shows the relationship between the price of a commodity and quantity offered for sale at each price

QS= 6p-12

Where QS= Quantity supplied in Kg

P= price

From the supply function it is possible to determine the various quantity of the commodity supplied at various price

At Price of $ 4.

Qs=6(4)-12

Qs= 24-12

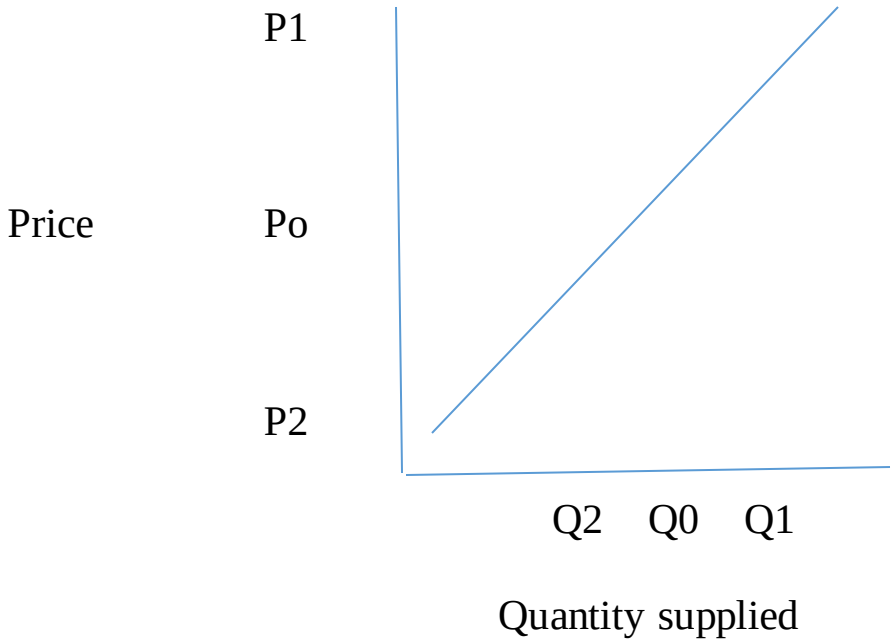
QS=12kg

Determinate of supply

1. Price of the commodity: if the price of the commodity increases more of it will be supplied
2. Cost of production : if the cost of producing an item falls supply for that item will increase
3. Price of other commodity : this affect goods with close substitute .if the price of close substitute to a commodity are lower than the price of that commodity that demand for the commodity will be low and as a result, it supply will also be low to a commodity
4. Number of producers : the greater the number of producers the larger the market supply other things being equal
5. Improve technology : more goods will be produced when technology is improved as the producers will produce more commodity

Change in quantity supplied

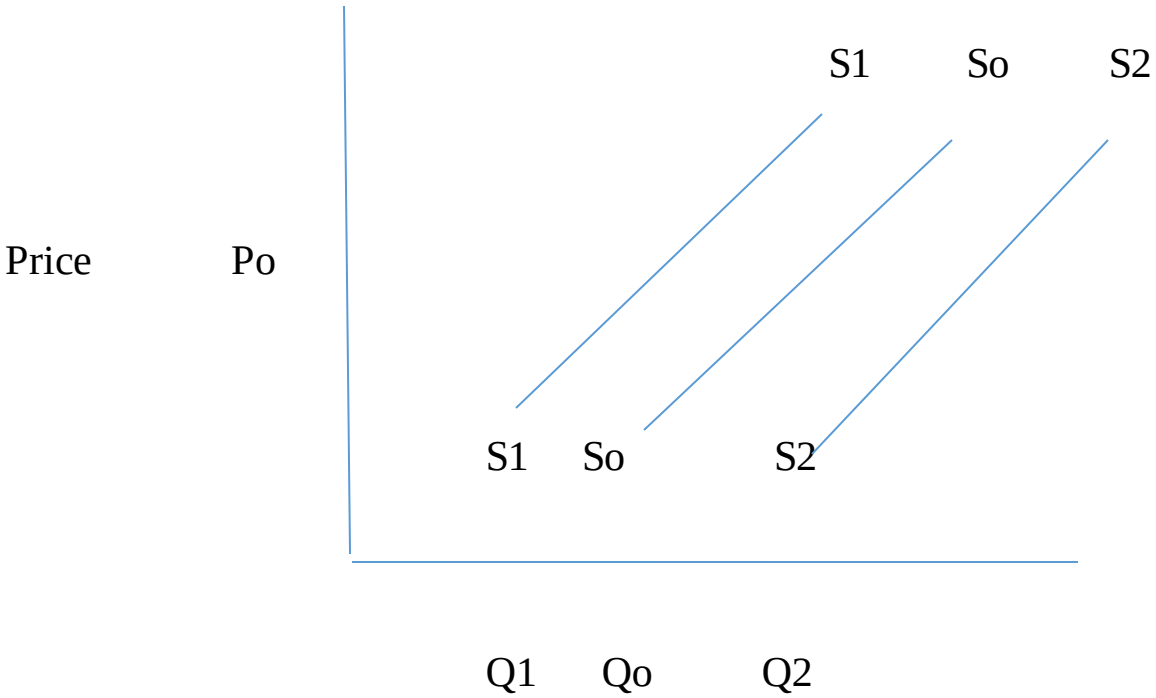
This refers to the increase and decrease in the quantity brought by an increase or decrease in price. It is caused by change in price of the commodity while other factors remain constant



Change in supply

This occurs if there is an increase or decrease in the quantity of a commodity offered for sale without any rise or fall in the price of

the commodity.it is caused by other factors affecting supply other than price of the commodity



A shift in supply curve to the left indicates decrease in supply from S0S0 to S1S1 caused quantity supplied to decrease from O Qo to OQ1 at the price oP0. A shift in the supply curve to the right indicates increase from So to S2 cause quantity supplied to increase from OQ0 to OQ2 at an old price.