

THEORY OF SUPPLY

Supply refers to the quantity of goods which would be offered for sale at a particular price and time

TYPES OF SUPPLY

1. Joint supply : this is a situation in which two or more commodities are jointly supplied for example
2. Composite supply : this is a situation in which a group of commodities are supplied to satisfy a singled demand for example bournvita and peak milk
3. Competitive demand: this explain the goods that are competitively supplied. The supply of one commodity affects the supply of another.

LAWS OF SUPPLY

The law of supply states that the higher the price of a commodity the greater the quantity supplied, while less quantity would be supplied at a lower price.

SUPPLY SCHEDULE

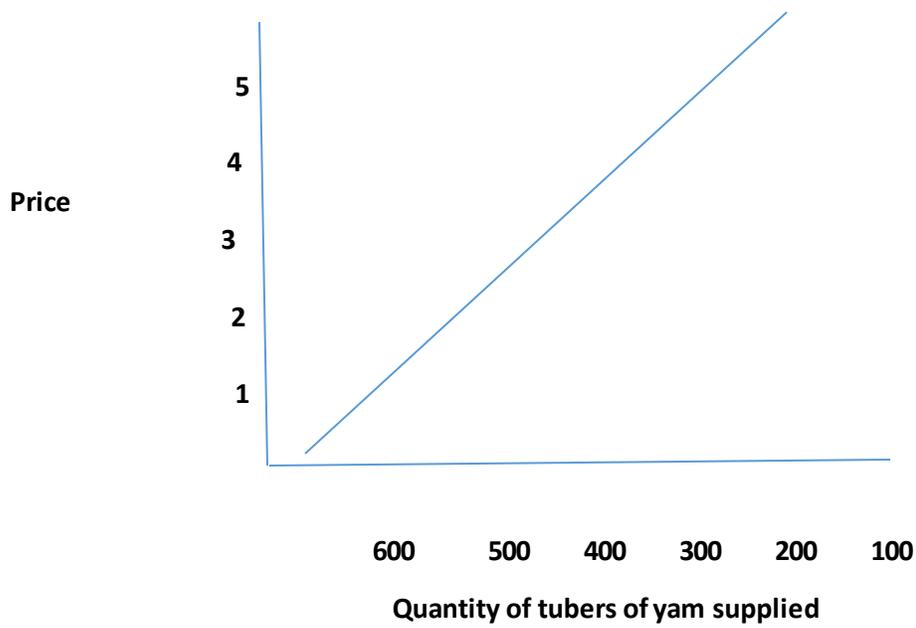
A schedule is a table which shows the various quantities of a commodities that would be offered for sale at various prices at a particular time.

Price per tuber of yam (\$)	Quantity of tubers of yam supplied
6	600
5	500
4	400
3	300
2	200
1	100

The supply schedule shows that less is offered for sale at lower prices.

SUPPLY CURVE

A supply curve is a graphical illustration of a supply schedule. It shows the relationship between the price of a commodity and the quantity supplied at each price. The supply schedule can be translated into a supply curve



A supply curve showing the quantity of tubers of yam supplied at a given price