

# FOCUS ACTIVITIES

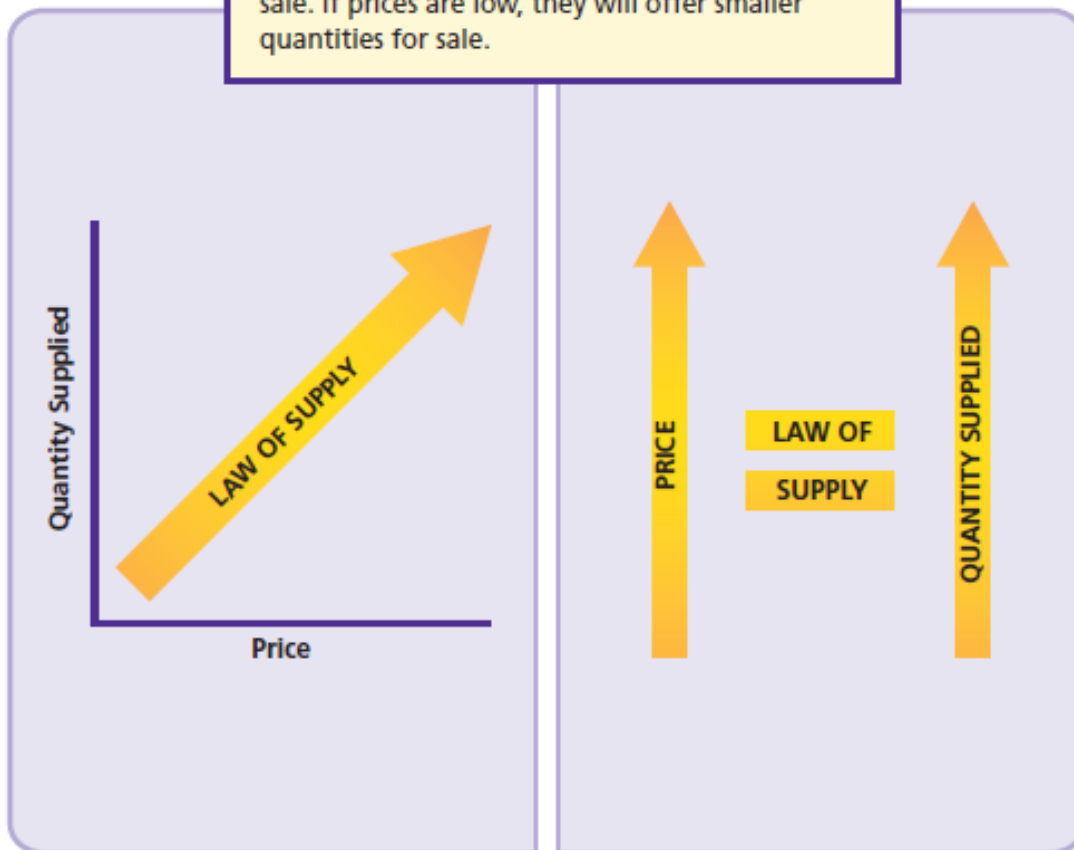
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### S SUPPLY AND PRICES

#### THE LAW OF SUPPLY

The quantities of an economic product offered for sale vary directly with its price. If prices are high, suppliers will offer greater quantities for sale. If prices are low, they will offer smaller quantities for sale.



1. According to the Law of Supply, is the relationship between price and quantity supplied direct or indirect?
2. Why do you think producers supply greater quantities of a good or a service when prices rise?