

## **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**

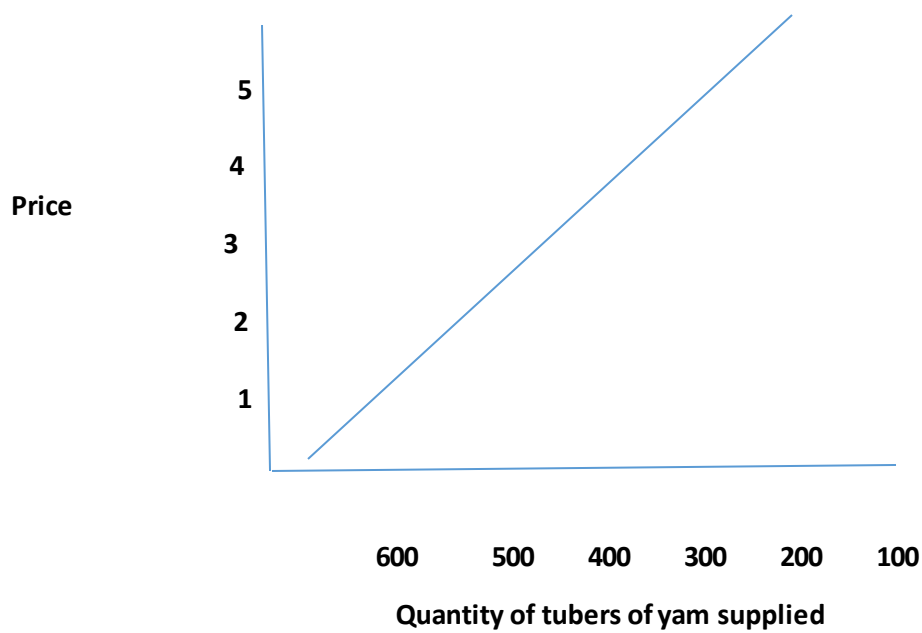
A schedule is a table which shows the various quantities of a commodities that would be offered for sale at various prices at a particular time.

| 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