

# *Supply Shift Worksheet*

A shift of supply is a movement of the entire supply curve & will result in a change in the equilibrium price & the equilibrium quantity. In the following 10 statements, determine what effect the event will have on the market for McDonald's Big Macs in Oak Ridge. While you may want to say what happened to the price & quantity, for this exercise only consider the supply. Circle your selection for what would happen to the supply curve. Remember that a shift to the left is a decrease & a shift to the right is an increase. You may want to refer to the determinants of supply if you are not sure what the effect of an event would be.

What would happen to the supply of McDonald's Big Macs in Oak Ridge if:

1. There is 25% increase in the price of the Secret Sauce used to make Big Macs.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**
2. The McDonald's hires 20 new, inexperienced employees.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**
3. The McDonald's fires 10 experienced employees.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**
4. One of the McDonald's burger grills is broken.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**
5. The McDonald's corporate office declares that every McDonald's should make 25 more Big Macs per hour during lunchtime.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**
6. The middle buns in the Big Macs are now taxed 2¢ more than the top and bottom buns.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**
7. The Wendy's hires 15 experienced employees.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**
8. McDonald's gives all its employees a 10¢ raise with no changes in production.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**
9. McDonald's acquires a new technology that allows them to produce 30% more hamburgers per hour.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**
10. The McDonald's district manager decides to increase the quantity of French fries supplied by 5% per hour.  
=>THE SUPPLY CURVE WILL:      **Shift Left**      **Stay the Same**      **Shift Right**