Class :- B.Com - 1

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Supply:

According to Thomas "The supply of goods is the quantity offered for sale in a given market at a given time at various prices."

According to Mayers, "We may define supply as a schedule of goods that would be offered for sale at all possible prices at any one instant of time or during any one period of time, in which conditions of supply remain the same.

Supply refers to various quantities of a commodity which a producer (or a firm is ready to sell) at different possible prices of that commodity at a point of time. It has two aspects

(1) Individual Supply Schedule:

Individual supply schedule refers to supply schedule of an individual producer (or a firm) in the market. It shows different quantities which a firm is willing to sell at different possible price of a commodity,

Individual

(Price of Goodx) Px	Qx (Qty. of Good x) units
5	0
10	10
15	20
20	30

It shows that the producer is willing to sell more at a higher price. When the price is Rs 10 per unit is Rs 10 per unit, when price rises to ₹15, quantity supplied increases to 20 units. So, that there is a positive relationship between price and quantity supplied of a commodity.

Market Supply Schedule

Market supply schedule refers to supply schedule of all the firms/producers in the market producing a particular commodity. Sum total of the firms producing a particular commodity is called 'industry'. Thus, market supply schedule refers to supply schedule of the Industry as a whole.

Table 2 : is a market supply schedule. It is based on the assumption that there are only two firms (A and B) and supplying Good x in the market.

Px (Price of Good x) ₹	Firm A	B	Market unit
5	0	0	0
10	10	5	10+5=15
15	20	10	20+10=30
20	30	15	30+15=45

Like Table 1, Table 2 also shows the positive relationship between price and quantity supplied of a commodity. when price is ₹10 per unit, market supply is (10+5) units = 15 units when the price increases from ₹ 10 to ₹ 15 unit, the market supply also increases from 15 to 30 units of the commodity.