

PRINCIPLES OF ECONOMICS

B. Com Hons Part-I

TOPIC -

SUPPLY FUNCTION

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* Factor Affecting The Supply :-

OR

Supply function.

Functional relationship between the price of commodity and its determinants is known as supply function.

$$S_x = f(P_x, P_r, P_f, T, N, G, E_x, G_p)$$

where,

S_x = Supply of Commodity X

P_x = Price of Commodity X

P_r = Price of related goods

P_f = Price of factors of production

T = Technique

N = Numbers of firms

G = Goal of firm

E_x = Expected future price

G_p = Government policy.