

Properties of the Aggregate Supply Curve

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AS curve.

$$y^S(x) = f(x) \cdot k$$

selling probability capacity

Properties of $y^S(x)$ reflect those of $f(x)$.

- $y^S(0) = 0$ b/c $f(0) = 0$
- $\lim_{x \rightarrow \infty} y^S(x) = k$ b/c $\lim_{x \rightarrow \infty} f(x) = 1$
- $y^S(x)$ is increasing in x b/c $f(x)$ is increasing in x
- $y^S(x)$ is concave in x b/c $f(x)$ is concave in x

AS curve in (service, tightness) plane.



