

LESSON PLAN: 9

Lesson: Supply and Demand

Length 20-25 minutes

Age or Grade Intended 4th

Academic Standard(s):



History 4.4.4 Explain that prices change as a result of changes in supply* and demand* for specific products.

Performance Objectives: given a specific example, students will explain how price changes as a result of changes in supply and demand, correctly identifying high or low demand.

Assessment: students will fill out a worksheet. They will have to correctly identify the supply level and if the price would be high or low based on a scenario.

Advanced Preparation by Teacher:

Buy/make cookies (or prizes of some sort)

Make envelopes of “money” – different amounts in each envelope

Procedure:

Introduction/Motivation:

Connection to past lesson: We have been talking a lot lately about businesses, and how they are started. Today, I want to show you the business idea I have been thinking about. Together, maybe we can learn even more about businesses.

Pass out envelopes of money. Tell students that they need to figure out how much money they have in their envelope and that it will be important for a fun activity. Once students have counted their money, I will introduce myself.

“Hello, I am the new owner of Miss. Brown’s Cookie Shop. Today I have a lovely chocolate chip cookie. It is a home-made, delicious cookie. Unfortunately, my current stock is low. I only have one in stock, and it will go to the highest bidder. Before we get started, we need to go over how an auction works in Miss Brown’s Auction House. There is no yelling or shouting during our auction. Repeat offenders will be disqualified from our auction. You must have the money that you are bidding. (If you have \$10, you can bid only up to that point) There will be no combining funds with friends. To make a bid, you will need to remain seated and raise your hand quietly. There is no arguing with the auctioneer.” **(Gardner: Bodily Kinesthetic)**

Step-by-Step Plan:

The auction will be done first. Once the auction is over I will ask “why were you willing to pay so much for the cookie? Would you have paid as much if I had lots of cookies to auction off to you?” **(Bloom: Evaluation)**

There was a mistake in my stock check. It turns out I have more cookies than I thought. I actually have too many cookies right now. Since I have so many extra cookies, I will sell these cookies for \$2 each.

Why was I able to sell the first cookie for so much more than the rest? (They thought it would be the only one) So because I had a low SUPPLY – the amount of goods someone has to sell- and you all wanted the cookie – there was a high DEMAND – you were willing to pay more. The item was scarce – or not many available, so to make sure you were able to get one, you had to pay more.

When I checked my stock and found that I had a higher SUPPLY, you were able to buy the cookies for less. Why do you think this is? (**Bloom: Comprehension**) Since the cookies were no longer a scarce item, they were cheaper to purchase.

Let's see if we can try a couple examples about supply and demand together.

This year's most wanted toy is a remote control robot. They are hard to make, and since they are so new, they are very hard to find. Boys and girls all over want one of these toys. Given this information, what can you tell me about the supply? (**Blooms: Analysis**) What can you tell me about the demand? Since there is a LOW supply and a HIGH demand, what can you infer about the price?

A couple years ago, Talking Dolls were really popular. Now a new toy has replaced them... The talking doll is no longer very popular, but while it was popular, it was mass produced – lots and lots were made, but before they were sold, a new toy came out that was more popular. Now stores have lots of these talking dolls, but not many people are buying them. What can you tell me about the supply? What can you tell me about the demand? Since there is a High supply and a Low demand, what can you infer about the price?

(**Gardner: Logical**)

Assessment will be given.

Closure: How does understanding supply and demand help us in our everyday life? How did supply and demand affect my business? Supply and demand controls many aspects of our economy. This has been the case all through history. Tomorrow, we will learn more about the history of our economy.

Adaptations/Enrichment:

Adaptation (Reading difficulties): Allow students to complete worksheet in partners.

Adaptation: (Vision Impairment) Provide large print worksheet.

Enrichment: Have student create their own supply/demand scenario and trade with a partner.

Enrichment: (Artistic/logical) Student will make a diagram showing the conditions (supply and demand) that cause price to go up or down.

Self-Reflection

Will students still understand the concept if they are not introduced to the terms right away?

Will there be issues with food allergies? Is there a better item that will interest all students?

Did I allow the appropriate amount of time for this activity?

Name _____

1. What is supply?

2. What is demand?

3. A new toy has just come out and everyone wants to own one. Unfortunately, the store only has a few to sell right now.

Is the supply high or low?

Is the demand high or low?

Do you think the price will be high or low? Why?

4. A toy company recently started making a new toy. They made lots of these toys because they thought it would be a very popular toy. They soon realized that no one really wanted to buy this toy.

Is the supply high or low?

Is the demand high or low?

Do you think the price will be high or low? Why?