



FOUNDATION SKILLS

PATHWAY: All Pathways
COURSE: All CTAE Courses
UNIT 11.5: You Supply, They Demand



INTRODUCTION

Annotation:

In this unit, students will understand the importance of supply and demand forces. They will understand how the two work together and how they formulate price.

Grade(s):

X	9 th
X	10 th
X	11 th
X	12 th

Time:

Approximately 4 – 90 minute class periods or 6 – 50 minute class periods.

Author:

Meghan Cline and Dr. Frank Flanders, based on Entrepreneurship lesson plan from the National FFA Organization

Additional Author(s):

Stacey Orr

Students with Disabilities:

For students with disabilities, the instructor should refer to the student's IEP to be sure that the accommodations specified are being provided. Instructors should also familiarize themselves with the provisions of Behavior Intervention Plans that may be part of a student's IEP. Frequent consultation with a student's special education instructor will be beneficial in providing appropriate differentiation.



FOCUS STANDARDS

GPS Focus Standards:

CTAE-FS-1 Technical Skills: Learners achieve technical content skills necessary to pursue the full range of careers for all pathways in the program concentration.

CTAE-FS-4 Problem Solving and Critical Thinking: Learners define and solve problems, and use problem-solving and improvement methods and tools.

CTAE-FS-11 Entrepreneurship: Learners demonstrate understanding of concepts, processes, and behaviors associated with successful entrepreneurial performance.

GPS Academic Standards:

MM3P5. Students will represent mathematics in multiple ways.

SSEM12 The student will explain how the Law of Demand, the Law of Supply, prices and profits work to determine production and distribution in a market economy.

SSEM13 The student will explain how markets, prices and competition influence economic behavior.

National / Local Standards / Industry / ISTE:

NM-DATA.9-12.3 Develop and evaluate inferences and predictions that are based on data

NSS-EC.9-12.8 Supply and Demand



UNDERSTANDINGS & GOALS

Enduring Understandings:

- Students will gain an understanding of how supply and demand work together in a capitalistic society.
- Students will understand how price is formulated.

Essential Questions:

- Why is it important to understand the impact of supply and demand in entrepreneurship?
- Why is it important to understand how price is determined?

Knowledge from this Unit:

- Students will define and explain the concept of supply and demand.
- Students will apply the supply and demand principle to real life examples.

Skills from this Unit:

- Students will produce a new product analysis.



ASSESSMENT(S)

Assessment Method Type:

- Pre-test
- Objective assessment - multiple-choice, true- false, etc.
 - Quizzes/Tests
 - Unit test
- Group project
- Individual project
- Self-assessment - May include practice quizzes, games, simulations, checklists, etc.
 - Self-check rubrics
 - Self-check during writing/planning process
 - Journal reflections on concepts, personal experiences and impact on one's life
 - Reflect on evaluations of work from teachers, business partners, and competition judges
 - Academic prompts
 - Practice quizzes/tests
- Subjective assessment/Informal observations
 - Essay tests
 - Observe students working with partners
 - Observe students role playing
- Peer-assessment
 - Peer editing & commentary of products/projects/presentations using rubrics
 - Peer editing and/or critiquing
- Dialogue and Discussion
 - Student/teacher conferences
 - Partner and small group discussions
 - Whole group discussions
 - Interaction with/feedback from community members/speakers and business partners
- Constructed Responses
 - Chart good reading/writing/listening/speaking habits
 - Application of skills to real-life situations/scenarios
- Post-test

Assessment(s) Title:

Supply and Demand Assessment
Supply and Demand Quiz and KEY

Assessment(s) Description/Directions:

Students will take a short quiz on the functions of supply and demand.
Students will complete the quiz on supply and demand.

Attachments for Assessment(s):

Supply and Demand Assessment
Supply and Demand Quiz and KEY



LEARNING EXPERIENCES

Sequence of Instruction

1. Interest Approach

Students will be given a box of tokens of at least two different colors. Instruct students to select any number of tokens, from one to a handful. If using fake money, randomly pass out money in different quantities to different students. Place a value on the tokens, or use the money value given on the fake money. Make sure that telling the value of the tokens is done AFTER students have already selected their tokens.

“How many of you have ever been to an auction? If no students have attended an auction, describe the action and excitement present. Today, we are going to participate in a class auction. Everyone must participate, and the only way to receive an “A” today for your class work is for you to have this item purchased by the end of the class period.”

Pull out an object that the students would like to have, such as a soft drink, candy bar, or chips. You will announce the bidding to open at a random predetermined amount, and they may use their tokens or money to purchase the item.

“I have just one of these items and whoever has this item at the end of the period will receive an “A” for today’s work. If there are no questions, let’s begin!”

Continue the auction until a student has bid the highest price for this item and has obtained it. Then, pull out a larger supply of the same item that just sold while announcing that you just happen to have a few more of these items. Tell students you’re willing to open the bidding at an extremely low amount. Wait and watch their reaction. After listening to their comments, begin a discussion on how they felt when they didn’t have enough money to purchase the item.

“How did you feel when you didn’t have enough money to purchase the item? Why?” Solicit answers.

Write **supply** and **demand** on the board. Ask the individual who bought the overpriced item to:

1. define what these terms mean to him/her in light of the experience he/she just had
2. explain why he was motivated to pay such a high price for it
3. let us know if he/she could have paid so much had he known there were additional items for everyone

2. Defining Supply and Demand

Hand out copies of Supply and Demand Worksheet to students, and read the instructions. Give students 5 minutes to plot the given points on the graph.

“Now, we will switch from participating in supply and demand to looking at it on a graph. You will have 5 minutes to complete the graph and answer the question at the bottom of the page.”

After 5 minutes have passed, solicit answers for the worksheet question. Praise students for giving their answers. Then, give students the formal definitions of supply and demand.

Supply – the amount of product that a producer is willing and able to sell at a specified price.

Demand – the amount of product that a buyer is willing and able to buy at a specified price

“As we can see, supply and demand show the relationship between a product’s accessibility and the interest shown in it by the consumer.”

Use the worksheet to help guide students through the theory of supply and demand. Explain that where supply and demand intersects is where the price is set and the amount sold is set, also called equilibrium or market clearing price.

3. Applying Supply and Demand to the Real World

Distribute copies of Prices and Quantities Worksheet, or use the worksheet as a transparency so the entire class can see it.

“Now that we have an idea of what supply and demand is, let’s apply the concept to a real life situation. The Prices and Quantities Worksheet shows us how three different companies could sell the same product at different prices and quantities and how this affects the profit they will make.”

Go through the worksheet with students and explain the prices and quantities sold. Explain how the first company sold all that they were putting in the store but weren’t making any profit due to the selling price. The answer for question one is company B. Most important is to have students reflect on how they face supply and demand on a daily basis.

Now, explain to students what happens when price is factored into supply and demand.

*“Next, we are going to introduce **price** into the supply and demand equation. **Price** is defined as the monetary value of a good or service. **Price** is determined by supply and demand. If the price goes up, demand goes down while supply goes up. If the price goes down, demand goes up while supply goes down. Are there any questions?”*

To determine if students understand how to apply these concepts, read each statement from the Real World Scenarios sheet aloud to the class. After reading each statement, ask:

1. What will happen to supply?
2. What will happen to demand?
3. What will happen to price?

Reward students for their volunteer participation, or divide students into pairs to answer these questions together.

“Now, I will read a set of scenarios. For each statement, I will ask what will happen to supply, demand, and price. Indicate an increase with thumbs up or a decrease with thumbs down. Are there any questions? Let’s begin.”

Attachments for Learning Experiences:

Supply and Demand Worksheet
Prices and Quantities Worksheet
Real World Scenarios

Notes & Reflections:

Instructors should read the entire lesson plan and activities before starting this lesson.



CULMINATING PERFORMANCE TASK

Culminating Unit Performance Task Title:

New Product Analysis

Culminating Unit Performance Task Description/Directions/Differentiated Instruction:

Students will design a new product/service of their choice. Students may work alone or in groups.

Students will complete a product research analysis by asking ten other students if they would be willing to buy their new product or try their new service for their set price.

Attachments for Culminating Performance Task:

New Product Analysis



UNIT RESOURCES

Web Resources:

Attachment(s):

Materials & Equipment:

- Tokens or play money
- A large amount of an object of desire for students (homework pass, candy, etc.)
- Copies of Supply and Demand Worksheet for each student
- One copy of Real World Scenarios sheet to read aloud
- Copies of Supply and Demand Quiz for each student
- Copies of New Product Analysis for each student or group
- Copies of Supply and Demand Assessment for each student
- Copies of Prices and Quantities Worksheet for each student or one transparency

What 21st Century Technology was used in this unit:

Slide Show Software
Interactive Whiteboard
Student Response System
Web Design Software
Animation Software
Email

Graphing Software
Calculator
Desktop Publishing
Blog
Wiki
Website

Audio File(s)
Graphic Organizer
Image File(s)
Video
Electronic Game or Puzzle Maker