

 **BUILDING BLOCKS STUDENT WORKSHEET**

Exploring price changes

The price of a product you buy in a store can go up or down based on how much of it is in stock (supply) and how popular it is (demand). Understanding how supply and demand can change prices can help you make buying choices that are best for you.

Instructions

- 1 Review the scenarios below.
- 2 For each scenario, answer the pricing question and explain your answer.
- 3 Answer the reflection questions.

The case of the popular toy store

You're a regular customer of a toy store down the street. The owner relies on supply and demand to decide the price of toys. Read the scenarios on the next page and select the action you think the store owner will take. Then explain your choice.



Scenario 1



It's almost the winter holidays and the Super Slippery Sled is a popular gift this year. The sled factory had to close last week because a snowstorm damaged the building. Now the toy store has fewer sleds to sell, but the customers still want them. Following the theory of supply and demand, what might the store owner do with the price?

- Lower the price Raise the price

Explain your reasons for your choice:

Scenario 2

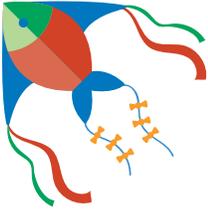


The Super Slippery Sled factory is open again and the toy store placed a large order for sleds. But the weather has warmed and there's no snow. People have stopped buying sleds. The toy store now has too many sleds. Following the theory of supply and demand, what might the store owner do with the price?

- Lower the price Raise the price

Explain your reasons for your choice:

Scenario 3



Spring has arrived! Now Kolorful Kites are in high demand. The store doesn't have enough kites for every customer who comes in. Following the theory of supply and demand, what might the store owner do with the price?

Lower the price

Raise the price

Explain your reasons for your choice:

Scenario 4



Last summer, Bilbo's Bouncing Balls were one of the most popular toys. But eventually, people lost interest and stopped buying the balls. The store still has a lot of them in stock. Following the theory of supply and demand, what might the store owner do with the price?

Lower the price

Raise the price

Explain your reasons for your choice:

Reflection questions

1. A product you really want is hard to find. Would you be willing to pay a lot more to get it now? Or would you be willing to wait a few months to get it at a better price?

2. How can you avoid paying too much for an item?