

Weather Alert

Grade Level: 6-8

Duration: 1-2 class periods

Economic Concepts: decision-making, supply, demand

Maryland State Curriculum

Economics Standard: Students will develop economic reasoning to understand the historical development and current status of economic principles, institutions, and processes needed to be effective citizens, consumers, and workers participating in local communities, the nation, and the world.

4.A.1 Analyze the decisions that people made because resources were limited relative to economic wants for goods and services

Maryland Personal Financial Literacy Standards

Standard 1: Make informed, financially responsible decisions

Students will apply financial literacy reasoning in order to make informed, financially responsible decisions.

College and Career Ready Standards: Reading Information & Writing

RI.8.4 Determine the meaning of words and phrases as they are used in a text

W.8.1.B Support claim(s) with logical reasoning and relevant evidence

MCCRS.W.8.2 Write informative/explanatory texts to examine a topic and convey ideas, concepts, and information through the selection, organization, and analysis of relevant content.

Objectives: Given a variety of scenarios, students will:

- define: supply, demand, economic decision-making
- work in groups to make decisions relative to supply/demand scenarios
- respond to a supply/demand writing prompt

Vocabulary

supply: the amount of a product that is available

demand: the level of desire of a product; how much something is desired by consumers

economic decision: A choice to produce or consume a good or a service. *Because we cannot have everything we want, we have to decide what we will choose and what we will give up.*

Materials

- document camera
- copy of Visuals 1, 2 and 3
- copies of Scenario 1 & 2 (enough for 1 copy per group)
- copy of "In the News" (1 per student)

Motivation

Read the following to the students:

“The weather forecast for Baltimore, Annapolis and vicinity: Increasing cloudiness this afternoon with temperatures dropping into the low teens by sundown. Snowfall starting around midnight and continuing through tomorrow evening. Accumulations of up to a foot or more expected in the Baltimore/Annapolis area with additional accumulation anticipated in the northern counties.”

Based on your experience, what are some of the preparations that Marylanders might take in the face of such a forecast? Responses might include:

- Go to the grocery store
- Buy shovels and ice melt
- Get DVDs from the video store

Development

1. Divide students into small groups. Assign one of the following scenarios to each group:
 - Scenario 1: *Yum Yum Grocery Store*
 - Scenario 2: *The Family Shopper*

Have students complete the worksheet assigned to their group.

When groups are finished, groups should report their findings and explain their answers.

Use Visual 1 to help conduct a class discussion of the forces at work in each of the group work scenarios in Activity 1. Add the terms “supply” and “demand” to your vocabulary list along with the definition from Visual 1.

2. Divide the students into small groups. Project Visual 2 and read the prompt aloud. Have students discuss the options in their small group. Then, have students individually construct a written response to the prompt. Have student-volunteers share their responses. NOTE: There is no “correct” answer as long as the student can defend the choice correctly in terms of Supply/Demand.

Summary

Have students respond orally to Visual 3. Write student responses on the overhead transparency.

Assessment

Have students work individually to complete “In the News.”

Scenario 1: Yum Yum Grocery Store

Preparing for the monthly management meeting, the manager of Yum Yum created the following price chart for various items over the past 3 weeks:

ITEM	Week 1	Week 2	Week 3	Week 4 Projection
Milk (gal.)	2.39	2.37	2.38	
Bread	1.39	1.38	1.39	
Corn Flakes	3.18	3.15	3.17	
Frozen Dinners	2.50	2.53	2.57	
Coffee (1 lb.)	3.99	3.99	3.99	
Ice Melt	2.99	2.89	3.03	
Ground Beef (1 lb)	4.19	4.19	4.19	
Toilet Paper (10 rolls)	5.99	5.99	5.99	
Batteries	8.95	8.92	8.97	
Butter (1 lb.)	1.89	1.99	2.49	
Lettuce	1.49	1.42	1.51	
Ice Cream	3.37	3.38	3.39	
Watermelon	7.69	8.00	8.10	
Potato Chips	2.39	2.39	2.79	

1. Discuss the products listed in light of the impending storm. Consider the following:
 - a. Which products might be in great demand over the next 24 hours? Explain why.
 - b. Which products might not be affected by the predicted storm? Explain why.
 - c. Which products could potentially sell out quickly?
 - d. How might prices be affected by the predicted storm?
2. With the storm approaching, you must project the direction in which the prices will go starting today (Week 4). Complete the column "Week 4 Projection" by placing a
 - o plus (+) if you think the price will increase;
 - o minus (-) if you think the price will decrease;
 - o zero (0) if you think the price will remain about the same.Be prepared to defend your answers.

Scenario 2: The Family Shopper

With a storm predicted, Mrs. Smith decides to go to Yum Yum Grocery Store and purchase items for the family. She only has \$40.00 to spend. Listed below is a comparison chart of last week's and this week's prices:

ITEM	Last Week	This Week	YES/NO
Milk (gal.)	2.38	2.61	
Bread	1.39	1.75	
Corn Flakes	3.17	3.18	
Frozen Dinners	2.57	2.25	
Coffee (1 lb.)	3.99	4.10	
Ice Melt	3.03	5.99	
Ground Beef (1 lb)	4.19	4.19	
Toilet Paper (10 rolls)	5.99	8.29	
Batteries	8.97	9.99	
Butter (1 lb.)	1.99	2.49	
Lettuce (head)	1.51	.99	
Ice Cream	3.39	1.99	
Watermelon	8.10	8.05	
Potato Chips	2.39	2.79	

1. Discuss the products listed in light of the impending storm. Consider the following:
 - a. Explain why some items increased in price while others remained the same.
 - b. Explain why some items decreased in price.
 - c. Which items might be more important in light of the coming snowstorm? What impact might this have on those products?

2. Complete the last column by determining whether you think Mrs. Smith will buy each of the items (YES) or decide against purchasing the item (NO). Be prepared to explain your answer.

VISUAL 1

SUPPLY & DEMAND

supply: the quantity of a good or service that is available

demand: the quantity of a good or service that consumers are willing and able to purchase; how much something is desired by consumers

- As the availability of an item (**supply**) decreases, the price increases. Why?
- As the availability of an item (**supply**) increases, the price decreases. Why?
- As the **demand** for an item decreases, the price decreases. Why?
- As the **demand** for an item increases, the price increases. Why?

VISUAL 2

SNOWSTORM SUPPLY & DEMAND

You decided that shoveling snow is a good way to earn some extra money. Use what you have learned about **supply** and **demand** to respond to the following:

Your neighborhood consists of these areas:

- Individual houses
- An apartment complex
- A “Main Street” with individual stores
- A strip mall with a fast food store, a cleaners, a gas station, etc...
- A Business Park with a variety of office buildings

Which area do you think would be the best one for making the most money shoveling snow? Explain your answer in terms of supply/demand.

VISUAL 3

SUPPLY & DEMAND SUMMARY

1. How much of a good or service is desired by a consumer is called _____.
2. The amount of a good or service that is available is called _____.
3. If the supply of a product increases, then the price of the product _____.
4. If the demand for a product increases, then the price of the product _____.
5. If the supply of a product decreases, then the price of the product _____.
6. If the demand for a product decreases, then the price of the product _____.

Name: _____

Date: _____



IN THE NEWS

DIRECTIONS: Look carefully at the headline and the advertisement below and explain how the concept of supply and demand impacts each one.

LATE SNOWSTORM HURTS MARYLAND PEACH TREES

**SNOWBLOWER OVERSTOCK SALE!!!
MODEL FX-51 PRICES SLASHED!
WAS \$899
NOW \$549**
