Objective: Students will be able to:

- Define the terms supply and demand.
- Identify what happens when demand exceeds supply.
- Identify what happens when supply exceeds demand.

Time Required: 1 class period

Materials Needed:
- Clipboards for each student
- Printed copies of the price chart (included) for each student
- Printed copies of equipment images (included) in the following quantities:
  - 13 baseballs
  - 8 jerseys
  - 3 caps
  - 1 bat
  (Numbers can be modified as necessary for the number of students – Keep the quantity of bats at 1)

Vocabulary:
Demand - The quantity of a good or service that buyers are willing and able to buy at all possible prices during a period of time
Quantity Demanded - The amount of a good or service people will buy at a given price in a given period of time
Quantity Supplied - The amount of a good or service sellers are willing and able to offer at a given price in a given period of time
Shortage - The situation that results when the quantity demanded for a product exceeds the quantity supplied
Supply - The amount of a good or service that producers are willing and able to offer for sale at each possible price during a given period of time
Applicable Common Core State Standards:

CCSS.ELA-Literacy.W.3.2, W.4.2, W.5.2 Write informative/explanatory texts to examine a topic and convey ideas and information clearly.

CCSS.ELA-Literacy.W.3.4, W.4.4, W.5.4 Produce writing in which the development and organization are appropriate to task and purpose.

CCSS.ELA-Literacy.W.3.8 Recall information from experiences or gather information from print and digital sources; take brief notes on sources and sort evidence into provided categories.

CCSS.ELA-Literacy.W.4.8 Recall relevant information from experiences or gather relevant information from print and digital sources; take notes and categorize information, and provide a list of sources.

CCSS.ELA-Literacy.W.5.8 Recall relevant information from experiences or gather relevant information from print and digital sources; summarize or paraphrase information in notes and finished work, and provide a list of sources.

CCSS.ELA-Literacy.SL.3.1, SL.4.1, SL.5.1 Engage effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on grade-appropriate topics and texts, building on others’ ideas and expressing their own clearly.

- CCSS.ELA-Literacy.SL.3.1d, SL.4.1d, SL.5.1d Explain their own ideas and understanding in light of the discussion.
1. Begin the lesson by introducing supply and demand. Provide students with definitions for each word.

2. Have students imagine that their classroom is a sporting goods store (a market). At the moment, there are 10 baseballs on the shelf. Little League season has just started and 10 coaches come into the store to buy one baseball each. Ask students, “What will happen?”

   Everyone who wants a baseball will get one, and there won’t be any left over.

3. Explain that the quantity supplied is the number of items available, and the quantity demanded is the number of items buyers want.

4. Have students identify the quantity supplied and the quantity demanded in the first sporting goods store scenario.

5. Now have students think about what might happen if those 10 coaches came to the store but there were only 5 baseballs on the shelf. Ask students the following questions:
   - What is the quantity supplied?
   - What is the quantity demanded?
   - Are there enough baseballs to go around?

6. Explain that when there isn’t enough of something to go around, the supply is low. This situation is a shortage. When lots of people want to buy the same thing, demand is high. When lots of people want certain goods or services that are in low supply, stores may raise prices.

7. When there is more than enough of an item, the supply is high. Have students think about what might happen if the store now has 50 baseballs on the shelf and the 10 coaches still want to purchase baseballs.
8. Have students identify the quantity supplied and the quantity demanded, and ask students the following questions:
   - Are there enough baseballs to go around?
   - Will there be any baseballs left over?

9. Explain that when fewer people want something, demand is low. When this happens, stores lower prices. Now let’s say it is winter and no one is purchasing baseballs – people are purchasing skis and snowboards instead. Ask students, “How might the store change the price of baseballs in winter?”

10. Review that when supply is low and demand is high, prices go up. When supply is high and demand is low, prices go down.

11. Introduce the activity.
1. Give each student one of the baseball gear images and ask them to keep it secret.

2. Ask each student to assign a price to their item. Provide each student with a sticky note and have each student write their chosen price on the note.

3. Now have students place their images face up on their desks with the sticky notes beside the images.

4. Pass out the Price Charts and the clipboards.

5. Have students walk around the classroom in an orderly fashion and view the other objects for sale.

6. Students should use the Price Chart to record the different prices for the various types of items.

7. Once the students are finished working, continue the discussion about supply and demand. Ask students the following questions:
   - Which baseball, jersey, etc. do you want to buy?
   - There are many baseballs for sale. What could the sellers with baseballs do to entice you to buy their product?
   - If there are 8 jerseys for sale, would they pay $X for one when they can go two rows over and buy one for less?
   - There is only one bat. Could it sell for more than the $X it is listed for? Why or why not?
Conclusion:
To conclude the lesson, review that people's choices about what goods and services to consume determine the quantity supplied and the quantity demanded. A situation where there isn't enough of a good or service to go around is called a shortage.

To check for understanding, have students think of an item that is very popular and very hard to come by. Students should then write a 1-page response drawing connections between the demand for the item and its price. Have the students predict what will happen to the price when that item is no longer popular.
Price Chart

Write the seller’s name in column #1.
Write prices offered for each item under the name of that item.

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<thead>
<tr>
<th>Seller’s Name</th>
<th>Baseballs</th>
<th>Jerseys</th>
<th>Caps</th>
<th>Bats</th>
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<td>Seller’s Name</td>
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Activity Equipment Images