

Objective

By the end of this lesson, the student will have a clear understanding of the concepts of supply and demand, including how they interact to determine prices in a market. The student will also engage in fun activities that reinforce these concepts through practical examples.

Materials and Prep

- Paper and pencils for note-taking and drawing
- Colored markers or crayons for creating visual aids
- Items around the house (toys, snacks, etc.) to use as examples of goods
- Access to a timer or stopwatch for timed activities
- Basic understanding of what goods and services are

Activities

- **Supply and Demand Role Play:**

The student will choose an item from around the house and act out a scenario where they are either a supplier or a consumer. They will negotiate prices based on supply and demand dynamics, demonstrating how these forces affect market behavior.

- **Market Simulation Game:**

The student will create a simple market using items from around the house. They will set prices for their goods based on perceived demand and then adjust prices in response to changes in supply and demand throughout the activity.

- **Visual Supply and Demand Graph:**

Using colored markers, the student will draw a basic supply and demand graph on paper. They will label the axes and plot points to show how changes in supply and demand affect prices.

- **Price Setting Challenge:**

The student will set prices for three different items based on their understanding of supply and demand. They will explain their reasoning behind the prices they set and how they would adjust them based on changes in market conditions.

Talking Points

- "Supply refers to how much of a good or service is available, while demand is how much of that good or service people want."
- "When demand increases and supply remains the same, prices tend to go up. Can you think of an example where this happens?"
- "Conversely, when supply increases and demand stays the same, prices usually go down. How might this look in our market simulation?"
- "The point where supply and demand meet is called equilibrium. Why do you think it's important for prices to reach this point?"
- "Real-world events, like a natural disaster or a new trend, can shift supply and demand. Can you think of a recent event that affected the prices of goods?"