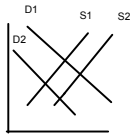


Big Idea: Order may allow for prediction.

Essential Question:

What factors affect the changes of supply and demand to create disequilibrium in the market?

Transferable understanding: For students to be able to understand that economic predictions can be made because of economic actions within a marketplace.



May 8-8:23 AM

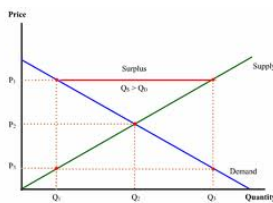
Review: The Law of Supply

The Law of Supply states that when prices decrease, **quantity supplied** decreases, and when prices increase, **quantity supplied** increases.

Producer focus not..... consumer focus

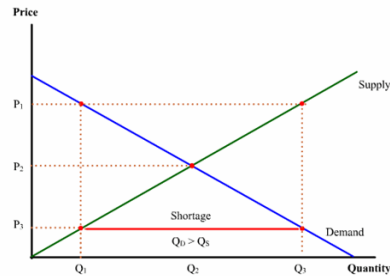
May 8-8:27 AM

Surplus: A situation in which the quantity that sellers wish to sell at that stated price is greater than the quantity that buyers will buy at that price.



May 8-7:37 AM

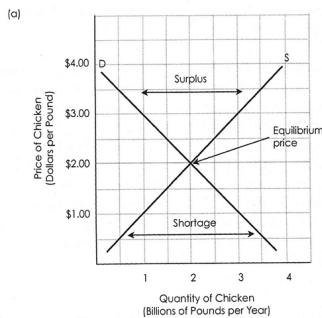
Shortage: A situation in which the quantity that buyers wish to buy at a stated price is greater than the quantity that sellers are willing to sell at that price.



May 8-7:42 AM

Equilibrium: A situation in which the quantity supplied is equal to the quantity demanded.

QD = QS



May 8-7:36 AM

Changes in Market Equilibrium

In order to understand how equilibrium is effected by the marketplace.....

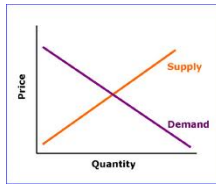
You have to answer two questions for each question

- 1) How do changes in other conditions affect demand?
- 2) How do changes in other conditions affect supply?

Jan 10-11:14 PM

Example

Market Change: Growth in the China is leading to changes in the US steel industry.

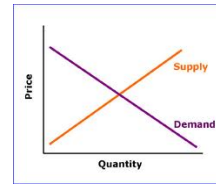


- 1) How do changes in other conditions affect demand?
- 2) How do changes in other conditions affect supply?

Jan 10-11:22 PM

Example

Market Change: Drought in the Midwest has the US cattle industry searching for answers.



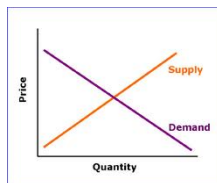
- 1) How do changes in other conditions affect demand?
- 2) How do changes in other conditions affect supply?

Jan 10-11:22 PM

Question 1

Market Change: New disease resistant apple invented.

Make sure to draw out all graph changes. & What happens to Price and Quantity

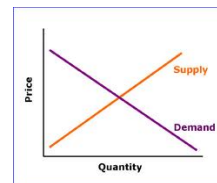


- 1) How do changes in other conditions affect demand?
- 2) How do changes in other conditions affect supply?

Jan 10-11:22 PM

Question 2

Market Change: Apple pickers unionize to demand wage increases.

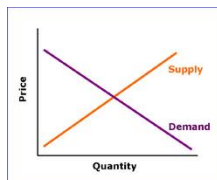


- 1) How do changes in other conditions affect demand?
- 2) How do changes in other conditions affect supply?

Jan 10-11:22 PM

Question 3

Market Change: The pear cider (apple cider's rival) launches ad campaign.

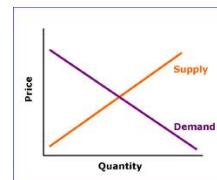


- 1) How do changes in other conditions affect demand?
- 2) How do changes in other conditions affect supply?

Jan 10-11:22 PM

Question 4

Market Change: Study released on how apples prevent cancer.

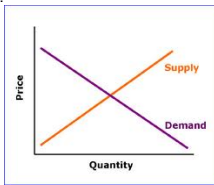


- 1) How do changes in other conditions affect demand?
- 2) How do changes in other conditions affect supply?

Jan 10-11:22 PM

Question 5

Market Change: The number US vegetarians reaches record numbers and the apple industry must account for the growth.

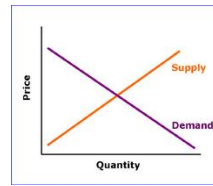


- 1) How do changes in other conditions affect demand?
- 2) How do changes in other conditions affect supply?

Jan 10-11:22 PM

Question 6

Market Change: It is either November or December at Marie Calendars, but not October.



- 1) How do changes in other conditions affect demand?
- 2) How do changes in other conditions affect supply?

Jan 10-11:22 PM

Big Idea: Order may allow for prediction.

Essential Question: What factors affect the changes of supply and demand to create disequilibrium in the market?

Transferable understanding: For students to be able to understand that economic predictions can be made because of economic actions within a marketplace.

May 8-8:23 AM

May 7-7:35 AM