|  |  |
| --- | --- |
| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Marketing |
| **Course Name** | Entrepreneurship |
| **Lesson/Unit Title** | The Law of Supply and Demand |
| **TEKS Student Expectations** | **130.384. (c) Knowledge and Skills**  (10) The student knows the effects of credit on price and profit. The student is expected to:  (B) describe supply chain management  (12) The student knows the effects of credit on price and profit. The student is expected to:  (A) communicate the differences among pricing structures for goods, services, and ideas  (B) develop a pricing structure for an entrepreneurial venture  (15) The student knows the effects of credit on price and profit. The student is expected to:  (B) analyze and discuss selection of goods and services based on operational needs |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | The students will be able to:   * Explain microeconomics and the concept of consumer demand. * Identify factors that affect supply and its relationship to demand. * Explain the relationship between supply and demand in a private enterprise system. |
| **Rationale** | The students will identify factors that affect supply and its relationship to demand. |
| **Duration of Lesson** | 2 45-minutes |
| **Word Wall/Key Vocabulary**  *(ELPS c1a, c, f; c2b; c3a, b, d; c4c; c5b) PDAS II (5)* | * **Macroeconomics**- Studies the economic behavior and relationships of an entire society * **Microeconomics**- Examines relationships between individual consumers and producers * **Demand curve**- The relationship between price and the quantity demanded * **Law of Demand**- When the price of a product is increased, less will be demanded * **Economic Resources**- Natural resources, capital, equipment, and labor * **Supply Curve**- The relationship between price and quantity supplied * **Law of Supply**- When prices increase, producers will manufacture more * **Market Price**- The point where supply and demand for a product are equal |
| **Materials/Specialized Equipment Needed** | Instructional Aids:   * Independent Practice Activities Student Directions * Oral Presentation: Comparing the Prices and Services of Competing Airlines Independent Assignment #1 Rubric * Multimedia Project: Seasonal Demand for Products in a Changing Climate Independent Assignment #2 Rubric * Extension Activities Student Directions * Research Report: Marketing Strategies for a Bowling Alley Extension Assignment #1 Rubric * Researching Car Sticker Prices Extension Assignment #2 Rubric * Internet   Materials Needed:   * Construction paper * Scissors and glue * Poster Board * Current newspapers and magazines   Equipment Needed:   * Computers for students to complete projects * Projector * White or chalk board |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | Learner Preparation  Ask students to make a “wish list” of items they would like to own. Then ask students to check off which items are needs vs. the items that are wants. Ask students to explain what keeps them from getting the items that they want.  Ask students to describe what takes place at an auction. Compare the activities at an auction to some of the basic economic concepts (supply and demand).  Introduction  Ask students to explain the difference between micro and macro. Micro looks at the small picture while macro looks at the bigger picture. Ask students to classify each of the following as micro economics or macroeconomics: a single school, the U.S. car industry, a single grocery store, all major grocery store chains, U.S. department of Commerce, car dealership.  Ask students why the economy is a major issue for politicians running for office. Explain how voters’ decisions are influenced by their economic well being |
| **Direct Instruction \*** | I. Microeconomics and Consumer Demand  A. Macroeconomics-studies the economic behavior and relationship of an entire society  B. Microeconomics-examines relationships between individual consumers and producers  C. Factors Affecting Demand  1. how strong is the need or want  2. available supply  3. availability of alternative products that consumers believe satisfy their needs  D. Demand Curves-to determine how much consumers are willing and able to pay for various quantities of products or services  1. demand curve-relationship between price and the quantity demanded  2. Law of Demand-when prices increase, less will be demanded  II. Supplying the Product  A. Consider the competition  B. Goal-to make a profit  C. Available economic resources-natural resources, capital, equipment, labor  D. Supply Curve-relationship between price and quantity supplied  E. Law of Supply-when the price of the product is increased, more will be produced  III. Market Price-point where supply and demand equal  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  *NONE* |
| **Guided Practice \*** | Explain that suppliers are more willing to supply a greater number of products or services as the price increases. Ask students the following questions: Besides the obvious profit motive, why are suppliers willing to increase supply as price increases? Then ask students what happens to prices when competitors enter the same market. Ask students to give examples of three stores where they can purchase their favorite jeans. How is the market economy beneficial to individuals in this scenario?  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  *NONE* |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | Using Independent Practice Activity #1, ask students to compare the price of a flight from Los Angeles to New York on three different airlines. Then ask students to rate the airlines based upon their on-time flights, customer service, and other perks. Ask students to explain how competition has influenced the prices of the airline ticket and to explain why it is important to shop around in the market economy. Students will present their findings in a PowerPoint presentation.  Using Independent Activity #2, ask students to develop a list of seasonal demand products for a location that has changing seasons. The list should include goods and services demanded in the winter that are not demanded other times of the year and goods demanded in the spring that are not demanded other times of the year. Why is it important to carefully consider the amount of inventory needed for seasonal items? When is the best time to get a bargain on winter and spring seasonal items?  Using Independent Activity #3, ask students to conduct a student survey in the cafeteria to determine the most highly demanded food items. Students will report the results of their study to the class, explain how prices of the most highly demanded items would be affected in the market economy, and make recommendations to the school cafeteria.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  *NONE* |
| **Lesson Closure** | Q: What is the difference between macroeconomics and microeconomics?  A: Macroeconomics studies the economic behavior and relationships of an entire society and microeconomics examines the relationships between individual consumers and producers.  Q: What are the main factors that businesses consider when deciding what and how much to produce?  A: Businesses consider how much profit they can expect, the competition, and the capability of developing and marketing the products or services.  Q: How is price affected by consumer demand?  A: Prices will rise with higher consumer demand.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  *NONE* |
| **Summative/End of Lesson Assessment \*** | Use Oral Presentation Rubric: Comparing Prices and Services of Competing Airlines to evaluate Independent Assignment #1 as students compare the price of a flight from Los Angeles to New York as well as rate the airline on its services.  Use Multimedia Project: Seasonal Demand for Products in a Changing Climate to evaluate Independent Assignment #2 as students create lists of seasonal demand products.  Independent Practice Activity #3 will be evaluated by the teacher for class participation.  Use Research Report: Marketing Strategies for a Bowling Alley to evaluate Extension Assignment #1 as students consider the factors that affect the demand for bowling and develop plans to improve business.  Use Researching Car Sticker Prices to evaluate Extension Activity #2 as students visit car dealerships to look at inventory and compare prices for different categories of inventory for different target markets.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  *NONE* |
| **References/Resources/**  **Teacher Preparation** | Marketing, Third Edition, James L. Burrow, Southwestern Cengage Learning  Marketing Essentials, McGraw Hill  USA Today and local newspapers |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** | |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication**  **90 Second Speech Topics** |  |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) | Students analyze the current banking industry to write a paper about bank acquisitions by one or two large competing banks in the United States. Students must explain why the bank acquisitions are taking place and why it is important not to have only a handful of banks owning all the financial institutions in the United States. Students will present their information to the class.  Students will define the type of competition in the school cafeteria. Part of the assignment requires students to propose competition changes for the cafeteria to provide better products and services to students and staff. |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | DECA |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)