

# Meet My Demands

## Overview

As a class, students participate in an auction to better understand the effects of supply and demand on an item's purchase price.

## Objectives

Students will be able to:

- Define the terms price, supply, and demand.
- Explain the effect of supply and demand on the price of a product or service.

## Preparation

Review the recommendations for working with students found on Page 10 of the Biz Kid\$ Educational Tools Overview. This document is available in the Educational Tools section of [www.bizkids.com](http://www.bizkids.com) under General Resources.

Become familiar with the Key Terms and financial concepts presented in this session.

Prior to the session, reproduce, cut, and separate session materials as needed. Gather any necessary materials for conducting this lesson.

Review the *Money Moves* episode of the television series *Biz Kid\$*. If possible, show the episode to the students. The information communicated in this episode will give students a foundation for this session's class discussion and activity.

If appropriate, have the students complete the Biz Kid\$ Viewing Guide Worksheet as they watch the episode. The Viewing Guide Worksheet and Explanation are available in the Educational Tools section of [www.bizkids.com](http://www.bizkids.com) under General Resources.

If possible, arrange for the technology needed to present the online video clips from the *Money Moves* episode of *Biz Kid\$*.

## Concepts

Demand  
Price  
Supply

## Skills

Critical thinking  
Oral communication



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Episode: Money Moves



## Introduction Time

15 minutes

## Teaching Tip

Post Key Terms in a visible place in the classroom. Key Terms in the Guide are highlighted in boldface on first reference.

These video clips can be found in The Show section of [www.bizkids.com](http://www.bizkids.com).

If possible, post Key Terms and student responses in a visible place. Consider providing a personal example for each term.

## Recommended Time

This activity typically takes 45 minutes to complete. If presenting this material as a volunteer, ask the teacher to help you keep track of the time.

## Materials

- Table Tents (optional)
- 10 dollars in JA Money (per student)
- 1 Set of Bid on Me Sheets
- Chalkboard or Dry-Erase Board
- Chalk or Dry-Erase Markers

## Presentation

### Introduction

If presenting this material as a volunteer, greet the students and distribute the Table Tents. Ask the students to write their names on the Table Tents.

If this is the first session you are conducting, tell the students your name, describe your job, and provide some information about your background. Explain that you are a volunteer with Junior Achievement, an organization with a mission to inspire and prepare young people to succeed in a global economy.

If appropriate, provide a brief overview of *Biz Kid\$*. Explain that this is a program that students can watch in their homes on public television. It is designed to help students explore the concepts of financial literacy, work readiness, and entrepreneurship in a fun and memorable format. *Biz Kid\$* inspires students by presenting stories about children and young adults who participate in the United States' economy by founding and operating their own businesses.

This episode, *Money Moves*, introduces students to the topic of earning income. Through entertaining skits and informational segments, students learn about financial transactions and the law of supply and demand.

If possible, share the *Kitsap Credit Union* online video clip from the *Money Moves* episode of *Biz Kid\$*. This video shows two girls who have started their own business. The girls raise and sell pigs to meet a need in the community.

Remind the students that in *Biz Kid\$*, we often see young individuals who sell products and services. Ask the students how those business owners decide what **price** to charge people for the services or products they provide. Define price as the money value of a good or service. Ask the students how they believe business owners decide on a price for their products.

Summarize student comments. Point out that while business owners take into account how much their expenses will cost when considering the prices of their products or services, they also consider things like the cost of similar items and whether or not there are a lot of products of this particular type available for sale.

Introduce the concept of **supply**. Define supply as the amount of a product, good, or service available. Explain that a business owner may only make a certain number of products at a given time, and that is their supply for their business.

Introduce the concept of **demand** to the students. Define demand as the amount of a product, good, or service that people want to buy. Explain that when you want to buy an item, that item is in demand by you.

Ask the students to imagine that a convenience store has only 10 gallons of milk to sell. But what if there were 20 people interested in buying milk? In this case, there would be a small supply of milk, but a high demand to purchase it. Ask the students to reflect on what might happen to the price of the

## Teaching Tip

Supply and demand may be a difficult concept for students to understand. Take the time to explain it clearly, using examples that are relevant to the students.

## Key Terms

**Demand:** The amount of a product, good, or service that people want to buy.

**Price:** The money value of a good or service.

**Supply:** The amount of a product, good, or service available.

## Activity Time

20 minutes

milk in this situation. The students should note that because of the high demand, the convenience store could raise the price of each gallon of milk. The more people want something, the more they are willing to pay for it.

Share a relevant example, such as the release of a new video game system. Explain that stores are only given a limited supply of the games, but people will line up for hours to get one. The video game company can raise the cost of its product because it knows the new system is in high demand, but that supplies are limited.

Ask the students to think about what happens to the price of a product or service when the demand for that item goes down. Staying with the video game example, explain that when a new game system is released, people are not as interested in purchasing an older system. At that point, the price of the old game systems probably will drop. Ask the students to think of products that had price drops because they no longer were popular.

### Activity

If possible, show the *Supply and Demand* online video clip from the *Money Moves* episode of *Biz Kid\$*. Use this clip as an introduction to the following activity. Explain that the class will play a game to better understand how supply and demand affect the price of an item.

Explain that the students will attend a “pretend” auction and be presented with items for sale. They will be given JA Money and allowed to bid on the auction items.

Explain that at an auction, participants listen to an auctioneer who announces prices for various items. If a participant is interested in making a purchase, he or she may bid on a particular item. If there are multiple bids on an item, the price will rise until only one participant is still willing to bid. Explain that during the pretend auction, students will bid by raising their hands.



Distribute 10 dollars in JA Money to each student.

Present the students with the Bid on Me Sheet marked “Item 1.” To the class, read the description found on the Bid on Me Sheet. Ask the students to raise their hands if they would like to bid on this item. Ask the students if the demand is high or low for this item.

Ask if anyone is willing to bid \$1 for this item. Raise the price in \$1 increments until only one student is willing to pay for the item. Comment about the balance between what someone is willing to pay for an item and how many people want that item.

Repeat this process for the remaining Bid on Me Sheets. Continue the auction until all the items are sold or the students appear to be grasping the concept. Allow the students to keep their remaining JA money as a reminder of this activity.

## Summary and Review

Ask the students to reflect on the auction that took place in class. Were there some items that they wanted more than others? What happened to prices when there were three of the same item available? Was it different when only one item was available?

Have the students review the definitions of the terms supply, demand, and price. Ask them to explain the effect of the supply and demand of a product on its price.

Thank the students for their participation in today’s session.

## Teaching Tip

It may be helpful to record the prices paid for each item in a location that is visible to all students.

## Summary and Review Time

10 minutes

## Session Outline

### Introduction

- (If volunteering) Greet the students and introduce yourself.
- (If volunteering) Distribute the Table Tents.
- Provide a brief overview of *Biz Kid\$*.
- Show the *Kitsap Credit Union* video clip.
- Define and discuss the terms price, supply, and demand. Briefly explain the interdependence of these concepts.

### Activity

- Share the *Supply and Demand* video clip.
- Introduce the class auction.
- Distribute 10 JA Dollars to each student.
- Present the students with the Bid on Me Sheets, and allow them to bid on the listed items.
- Ask the students to make connections between the supply of an item and the final financial value placed on it.
- Ask the students to make connections between the demand for an item and the final financial value placed on it.

### Summary and Review

- Review the lessons learned from this activity.
- Ask the students to define the terms price, supply, and demand.
- Thank the students for their participation.

## Extended Learning Opportunity

Ask the students to write a response to the following question: “Do the prices of toys rise or fall around the winter holidays? Why?” Be sure to remind the students that they must support their response with strong reasoning. Some students may think that prices will rise because the demand is greater, while others may reflect that, because of the higher supply levels at that time, the prices will drop.

