Name: _____ Date: _____

Supply and Demand

Circle group

Why do prices go up or down? Most of the time, the answer is supply and demand.

Supply is how much of a thing is for sale. Demand is how much people want to buy it. The price depends on how the two fit.

Think of a lemonade stand. On a cool day, few people are thirsty. So demand is low. The stand has lots of lemonade. So supply is high. The owner may drop the price to get people to buy.

Now think of a hot day. Lots of thirsty people want a cold drink. So demand goes up. If there is just a bit left, supply is low. The owner can raise the price. People may still pay it.

The same thing shows up in stores. A toy is hard to find, and all the kids want one. Its price may go up. A store has too many winter coats left in spring. It may put them on sale.

Prices do not change by magic. They change when supply, demand, or both change.

Questions

1. What is supply?

_____

_____

2. What is demand?

_____

_____

3. Why may the owner drop the price on a cool day?

_____

_____

4. What happens to demand on a hot day?

_____

_____

5. Why does a store put winter coats on sale in spring?

_____

_____

6. What does the last sentence mean?

_____

_____

Words to know

supply: how much of something is for sale
demand: how much people want to buy something
price: the amount of money you pay for something
thirsty: wanting something to drink
sale: a time when a store sells things at a lower price

Talk together (every group has these)

1. Find one fact that every group read. How did your sheet say it?
2. What did your sheet tell you that you think another group's did not? Ask them.
3. What is one question about this topic that none of the sheets answered?

Name: _____ Date: _____

Supply and Demand

Triangle group

Why does the price of something go up or down? Often the answer is supply and demand.

Supply is how much of something is for sale. Demand is how much people want to buy it. The price depends on how the two fit together.

Imagine a stand that sells lemonade. On a cool day, few people feel thirsty, so demand is low. The stand has plenty of lemonade, so supply is high. To get people to buy, the owner may lower the price.

Now imagine a hot day. Many thirsty people want a cold drink, so demand rises. If the stand has only a little lemonade left, supply is low. The owner can raise the price, and people may still pay it.

The same pattern shows up in stores everywhere. When a toy is hard to find and everyone wants one, its price may rise. When a store has too many winter coats left in spring, it may put them on sale.

Prices do not change by magic. They change when supply, demand, or both change.

Questions

1. What is supply?

_____

_____

2. What is demand?

_____

_____

3. Why might the owner lower the price of lemonade on a cool day?

_____

_____

4. What happens to demand for lemonade on a hot day?

_____

_____

5. Why does a store put winter coats on sale in the spring?

_____

_____

6. What does the last sentence mean?

_____

_____

Words to know

supply: how much of something is for sale
demand: how much people want to buy something
price: the amount of money you pay for something
thirsty: wanting something to drink
sale: a time when a store sells things at a lower price

Talk together (every group has these)

1. Find one fact that every group read. How did your sheet say it?
2. What did your sheet tell you that you think another group's did not? Ask them.
3. What is one question about this topic that none of the sheets answered?

Name: _____ Date: _____

Supply and Demand

Square group

What causes the price of an item to rise or fall? Frequently, the explanation involves supply and demand.

Supply refers to the quantity of something that is available for sale. Demand refers to how much people want to purchase it. The price depends on the relationship between the two.

Imagine a stand that sells lemonade. On a cool day, relatively few people feel thirsty, so demand is low. Meanwhile, the stand has an abundant amount of lemonade, so supply is high. To encourage customers to buy, the owner may decide to lower the price.

Now imagine a scorching day. Numerous thirsty people want a cold beverage, so demand increases. If the stand has only a small amount of lemonade remaining, supply is low. The owner can raise the price, and customers may still be willing to pay it.

This same pattern appears in stores everywhere. When a popular toy is difficult to find and everyone wants one, its price may climb. When a store has too many winter coats remaining in spring, it may put them on sale.

Prices do not change by magic. They change whenever supply, demand, or both of them change.

Questions

1. How does the passage define supply?

_____

_____

2. How does the passage define demand?

_____

_____

3. Why might the owner decide to lower the price of lemonade on a cool day?

_____

_____

4. How does demand for lemonade change on a scorching day?

_____

_____

5. Explain why a store might put winter coats on sale in the spring.

_____

_____

6. What is the meaning of the final sentence?

_____

_____

Words to know

supply: how much of something is for sale
demand: how much people want to buy something
price: the amount of money you pay for something
thirsty: wanting something to drink
sale: a time when a store sells things at a lower price

Talk together (every group has these)

1. Find one fact that every group read. How did your sheet say it?
2. What did your sheet tell you that you think another group's did not? Ask them.
3. What is one question about this topic that none of the sheets answered?

For the teacher: Supply and Demand

Each student sheet carries a shape, not a level. The same topic and facts, written three ways.

Circle: Supply and Demand

Easier · 175 words · Flesch-Kincaid grade 1.6

1. How much of a thing is for sale.
2. How much people want to buy it.
3. Few people are thirsty, so demand is low, and the stand has lots of lemonade. A low price may get people to buy.
4. It goes up. Lots of thirsty people want a cold drink.
5. It has too many left and few people want them now. Supply is high and demand is low.
6. Prices change for a reason. They change when supply or demand changes.

Triangle: Supply and Demand

This passage · 176 words · Flesch-Kincaid grade 4.1

1. How much of something is for sale.
2. How much people want to buy something.
3. Few people are thirsty, so demand is low, and there is plenty of lemonade. A lower price may get people to buy.
4. It rises, because many thirsty people want a cold drink.
5. It has too many left and few people want them now, so supply is high and demand is low.
6. Prices change for reasons: they change when supply or demand change.

Square: Supply and Demand

Harder · 194 words · Flesch-Kincaid grade 6.7

1. The quantity of something available for sale.
2. How much people want to purchase something.
3. Few people are thirsty, so demand is low, and there is an abundant amount of lemonade. A lower price may encourage customers to buy.
4. It increases, because numerous thirsty people want a cold beverage.
5. It has too many remaining and few people want them, so supply is high and demand is low.
6. Prices change for reasons: they change whenever supply or demand changes.