

SPOTLIGHT ON: ECONOMICS

SUPPLY AND DEMAND SURVIVAL

SET UP: Break the class into even groups (*suggestion: no more than 5 members per group*). Give each group \$800 and make sure you have the ability to make change as they purchase items. Give each group the supply list.

MATERIALS: Business World money, print out the supply list for each group

TIME TO COMPLETE THE TASK: This activity will take 50 minutes total. 5 minutes should be used to for each group to determine the order of importance for each item. The rounds should take approximately 35 minutes (no more than 3 minutes per round). Debrief should take 10 minutes at the end of the activity.

THE STORY: You are going on a fishing trip to a deserted island. It's the best fishing spot in the world, but over the years the treacherous waters have left other fishing groups stranded on the island for up to a week. Your team has decided to stock up on supplies before leaving to make sure you are prepared if you get stranded. You're on a tight budget of \$800, though, and recently discovered all of your fishing gear was stolen! On top of that, it's the busy season meaning stores may need to raise prices as demand increases.

Work as a group to determine how you will spend your \$800. Each round you will be allowed to purchase one item from the store. Work with your group to determine which items are most important and least important based on the supply list to help determine how you will use your budget. **Remember! Prices may rise each round. The first price listed on the supply list is the price for the first round.**

ROUND 1: (This should remain secrete) After reading the story to the students, give each group time to look over the supply list and brainstorm which items they feel are most important and least important. After a few minutes, tell the students the shop is open for the first round. Students should bring you money and tell you the first item they plan to purchase. As students purchase their items. Keep tally of which items have been bought. After the round ends determine which 2-4 items were the most popular. Before opening the store for round 2, increase the price of those 2-4 items to the stage 2 pricing.

ROUND 2: Before opening the store for round two, display the new prices on the screen for each group to see. Let students know the shop experienced heavy demand and that prices were adjusted. Invite students to come purchase their round two item.

ROUND 3:

Before opening the store for round three, determine which prices need to increased. Increase the prices to the next highest price. For example, if you already increased the price of food to the stage two pricing and it remained in demand, increase the price again to the stage 3 pricing. If a new item is in demand that was not in demand the first round, only increase the price to the stage 2 pricing. Finally, determine if any products need to go on sale. Any items that have not been bought in the first two rounds should now be lowered to the sale price.

Continue this process until every group has each item or runs out of money.

DEBRIEF: After the activity is complete. Debrief with the class:

Was each group able to purchase every supply item?

What strategy did they use when determining the most important and least important products?

Which items did they feel were essential and which were not essential? Why?

Do the groups feel they would survive the deserted island with the supplies they were able to purchase?

SUPPLY LIST: (Keep this version secret as it has all prices listed)

| Item | Stage 1 Price | State 2 Price | Stage 3 Price | State 4 Price | Sale Price |
|---|---------------|---------------|---------------|---------------|------------|
| Fishing Poles (enough for everyone on the team) | \$200 | \$300 | \$350 | \$400 | \$150 |
| Netting | \$100 | \$150 | \$200 | \$300 | \$75 |
| Food (enough for everyone for a week) | \$300 | \$350 | \$400 | \$450 | \$250 |
| Water Bottles (enough for everyone for a week) | \$30 | \$35 | \$40 | \$45 | \$20 |
| Water Purification Tablets (enough for everyone for a week) | \$35 | \$40 | \$45 | \$50 | \$25 |
| Flint | \$8 | \$10 | \$12 | \$15 | \$5 |
| Matches (water proof) | \$4 | \$6 | \$8 | \$10 | \$2 |
| Tarp | \$35 | \$40 | \$45 | \$50 | \$30 |
| Soap (1 bar) | \$6 | \$8 | \$10 | \$12 | \$4 |
| First Aid Kit | \$25 | \$30 | \$35 | \$40 | \$15 |
| Knife | \$50 | \$60 | \$65 | \$75 | \$40 |

INNOVATION → **CHANGE** → **OPPORTUNITY** → **SUCCESS**

In order to **grow** and **thrive**, businesses need to constantly be **thinking two steps ahead** of today. What **changes** are happening in their industry? What do their customers **want**? How can they **improve** their business processes and procedures? How can they **create a need**?

SPOTLIGHT ON: ECONOMICS

SUPPLY AND DEMAND SURVIVAL

SUPPLY LIST FOR STUDENTS:

| Item | Stage 1 Price |
|---|---------------|
| Fishing Poles (enough for everyone on the team) | \$200 |
| Netting | \$100 |
| Food (enough for everyone for a week) | \$300 |
| Water Bottles (enough for everyone for a week) | \$30 |
| Water Purification Tablets (enough for everyone for a week) | \$35 |
| Flint | \$8 |
| Matches (water proof) | \$4 |
| Tarp | \$35 |
| Soap (1 bar) | \$6 |
| First Aid Kit | \$25 |
| Knife | \$50 |

INNOVATION → CHANGE → OPPORTUNITY → SUCCESS

In order to **grow** and **thrive**, businesses need to constantly be **thinking two steps ahead** of today. What **changes** are happening in their industry? What do their customers **want**? How can they **improve** their business processes and procedures? How can they **create a need**?