**What factors impact price?**

| Content | This instructional task engages students in content related to the following grade-level expectations:  
|• 3.8.2 Investigate ways in which people are producers and consumers and explain why they depend on one another  
|• 3.8.3 Describe the basic concepts of supply and demand and explain how competition affects the prices of goods and services  
|• 3.8.4 Explain how producers and consumers affect prices |

| Claims | In this instructional task, students develop and express claims through discussions and writing in which they explore the economy. Students will examine the relationship between prices and the various factors that influence them. |

| Unit Connection | This instructional task helps students explore and develop claims around the content from unit 5:  
|• How are opportunity cost, scarcity, and surplus/shortage related? (3.4.7, 3.8.1, 3.8.3)  
|• How do producers and consumers depend on each other and how do they affect price? (3.7.2, 3.7.3, 3.8.2, 3.8.4, 3.10.1, 3.10.2) |

<table>
<thead>
<tr>
<th>Formative Performance Task 1</th>
<th>Formative Performance Task 2</th>
<th>Formative Performance Task 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supporting Questions</strong></td>
<td>How are people consumers and producers?</td>
<td>How do supply and demand affect prices?</td>
</tr>
<tr>
<td><strong>Tasks</strong></td>
<td>Students will define the role of a consumer and producer.</td>
<td>Students will explain how supply and demand affects prices for items.</td>
</tr>
</tbody>
</table>
| **Featured Sources** | **Source A:** Consumers, Council for Economic Education  
**Source B:** Producers, Council for Economic Education  
**Source C:** A New Coat for Anna, Harriet Ziefert | **Source D:** Goods and Services, Brain Pop, Jr | **Source E:** Fake Yellow Pages, Council for Economic Education  
**Source F:** Smalltown Pizza Battles, Council for Economic Education |

| Summative Performance Task | After reading and discussing how the economy works, write a description of at least two ways that prices of goods and services are impacted. |
### Formative Performance Task 1

<table>
<thead>
<tr>
<th>Supporting Question</th>
<th>How are people consumers and producers?</th>
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<td>Task</td>
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| Featured Source     | **Source A:** Consumers, Council for Economic Education  
**Source B:** Producers, Council for Economic Education  
**Source C:** A New Coat for Anna, Harriet Ziefert |
| Content and Claims  | In this formative performance task, students explore producers and consumers to discuss what they are and their role in the economy. (3.8.2) |

### Featured Source

**Source A:** Consumers, Council for Economic Education  
**Source B:** Producers, Council for Economic Education  
**Source C:** A New Coat for Anna, Harriet Ziefert

### Steps

1. Create a class anchor chart to be used throughout the instructional task. As students explore each source throughout the task, have them identify new terms and add them to the chart. Explain to students that the words will remain posted in the classroom as a reminder for them to use the words in their discussions and writing.
2. Provide students with access to the interactives in Source A: Consumers and Source B: Producers.
3. Add the terms consumer and producer to the chart.
4. Engage students in a class discussion about the information presented in the interactives. Possible guiding questions:
   - What are producers?
   - What are consumers?
   - What are some things that consumers get from producers?
   - What are some examples of producers?
   - How do producers and consumers depend on each other?
5. Read aloud A New Coat for Anna to the class.
6. Conduct a class discussion about the main events of the story. Possible guiding questions:
   - Why were there no coats in the store?
   - Why didn’t people have food or money?
7. Provide students with access to Source C: A New Coat for Anna and the producer chart handout on page 4.
8. Say to students: “In this story, Anna and her mother are consumers. They need a new coat for Anna. As you read the story, think about all of the producers involved in making a coat for Anna. As you read about producers in the story, write each producer, their product, and how Anna’s mother pays for each product in the first three columns of your producer chart.”

9. Ask students to read *A New Coat for Anna* with a partner.

10. Support students as they record information about the producers on columns 1-3 of their producer chart. A sample chart is included below.
<table>
<thead>
<tr>
<th>Producer</th>
<th>What is being produced?</th>
<th>How did Anna’s mother pay for what was produced?</th>
<th>Is what is being produced a good or service?</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
Student Look-Fors

1. Students are able to explain the difference between producers and consumers.
2. Students accurately record their information in their charts. A sample completed chart is included below.

**Producer Chart: A New Coat for Anna**

<table>
<thead>
<tr>
<th>Producer</th>
<th>What is being produced?</th>
<th>How did Anna’s mother pay for what was produced?</th>
<th>Is what is being produced a good or service?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer</td>
<td>Wool for the coat</td>
<td>Gold watch</td>
<td></td>
</tr>
<tr>
<td>Spinner</td>
<td>Spinning wool into yarn</td>
<td>Lamp</td>
<td></td>
</tr>
<tr>
<td>Weaver</td>
<td>Weaving yarn into cloth</td>
<td>Necklace</td>
<td></td>
</tr>
<tr>
<td>Tailor</td>
<td>Making coat from cloth</td>
<td>Porcelain teapot</td>
<td></td>
</tr>
</tbody>
</table>
Formative Performance Task 2

<table>
<thead>
<tr>
<th>Supporting Question</th>
<th>What is the difference between a good and a service?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task</td>
<td>Students will differentiate between goods and services.</td>
</tr>
<tr>
<td>Featured Source</td>
<td>Source D: Goods and Services, Brain Pop, Jr</td>
</tr>
<tr>
<td>Content and Claims</td>
<td>In this formative performance task, students determine the difference between a good and service and explain their impact on price. (3.8.3)</td>
</tr>
</tbody>
</table>

Featured Source

Source D: Goods and Services, Brain Pop, Jr

Steps

1. Project and play Source D for student viewing.
2. Add the key terms from the video (goods, services, supply, and demand) to the class anchor chart.
3. Play Source D: Goods and Services for students a second time. Have students pay special attention to how each of the terms added to the chart relate to one another.
4. Engage students in a discussion. Sample guiding questions:
   a. What are goods?
   b. What are some examples of goods?
   c. What is a service?
   d. What are some examples of services?
   e. What is supply?
   f. How does supply affect price?
   g. What is an example of supply affecting price?
   h. What is demand?
   i. How does demand affect price?
   j. What is an example of demand affecting price?
5. Have students add to the fourth column of the producer chart from the previous task.
6. Have students use sentence frames to write an explanation of how supply and demand can affect price. Sample sentence frames are included on the next page.
Supply and Demand Sentence Frames

If supply increases, the price will go ________.

If supply decreases, the price will go ________.

If demand increases, the price will go ________.

If demand decreases, the price will go ________.
Student Look-Fors

1. Students’ responses explain the difference between a good and service.
2. Students can identify examples of goods and services.
3. Students relate information about goods and services to the story in the previous task. A sample completed chart is included below.

### Producer Chart: A New Coat for Anna

<table>
<thead>
<tr>
<th>Producer</th>
<th>What is being produced?</th>
<th>How did Anna’s mother pay for what was produced?</th>
<th>Is what is being produced a good or service?</th>
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<td>Farmer</td>
<td>Wool for the coat</td>
<td>Gold watch</td>
<td>Good</td>
</tr>
<tr>
<td>Spinner</td>
<td>Spinning wool into yarn</td>
<td>Lamp</td>
<td>Service</td>
</tr>
<tr>
<td>Weaver</td>
<td>Weaving yarn into cloth</td>
<td>Necklace</td>
<td>Service</td>
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<tr>
<td>Tailor</td>
<td>Making coat from cloth</td>
<td>Porcelain teapot</td>
<td>Service</td>
</tr>
</tbody>
</table>

4. Students can explain how supply and demand affect price.

**Supply and Demand Sentence Frames**

If supply increases, the price will go down.

If supply decreases, the price will go up.

If demand increases, the price will go up.

If demand decreases, the price will go down.
# Formative Performance Task 3

<table>
<thead>
<tr>
<th>Supporting Question</th>
<th>How does competition affect prices?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task</td>
<td>Students will explain how competition affects the prices of goods and services.</td>
</tr>
<tr>
<td>Featured Source</td>
<td>Source E: Fake Yellow Pages, Council for Economic Education</td>
</tr>
<tr>
<td></td>
<td>Source F: Smalltown Pizza Battles, Council for Economic Education</td>
</tr>
<tr>
<td>Content and Claims</td>
<td>In this formative performance task, students determine how businesses compete and how that competition can affect prices of goods and services. (3.8.3, 3.8.4)</td>
</tr>
</tbody>
</table>

## Featured Source

**Source E:** [Fake Yellow Pages](#), Council for Economic Education

**Source F:** [Smalltown Pizza Battles](#), Council for Economic Education

## Steps

1. Add the term *competition* to the class anchor chart.
2. Engage students in a discussion about competition. Possible guiding questions:
   - a. What is competition?
   - b. What are some examples of businesses that compete with each other?
   - c. Why are those examples of competitors?
3. Provide students with access to Source E: Fake Yellow Pages.
4. Divide the class into pairs using an established classroom routine then ask students to work together to match the correct competitors to each business.
5. Provide students with access to Source F: Smalltown Pizza Battles.
6. Have students work through each step of Smalltown Pizza Battles.
7. For each step to help Mo’s Pizza Place compete, have students type a sentence that describes how Mo should respond to each of Tony’s actions.
8. Have students print out their business plan once they have completed it. Encourage students to use their business plan for the class discussion.
9. Conduct a discussion about how competition benefits consumers. Possible guiding questions:
   - a. What are some things businesses do to compete with other businesses?
   - b. How does competition help consumers?

## Student Look-Fors

1. Students are able to explain what competition is and provide examples of competitors in real life. Possible examples include, but are not limited to:
a. McDonald’s and Burger King (both sell burgers, fries, drinks, etc.)
b. CVS and Walgreens (both sell medicines, etc.)
c. Nike and Reebok (both make shoes and clothes)
d. Pepsi and Coke (both make drinks)

2. Students recognize business behaviors that help them to be more competitive. Possible examples include, but are not limited to:
   a. Offering incentives (specials, coupons, etc.)
   b. Improving customer service
   c. Advertising to attract customers
   d. Improving their product (better quality, better variety, etc.)
### Summative Performance Task

<table>
<thead>
<tr>
<th>Compelling Question</th>
<th>What factors impact price?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task</td>
<td>After reading and discussing how the economy works, write a description of at least two ways that prices of goods and services are impacted.</td>
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### Teacher Overview

In this summative performance task, students are asked to write and illustrate a response to the compelling question using evidence from the sources they explored throughout the formative performance tasks.

Students gained knowledge about producers and consumers, goods and services, competition, and the role each plays in the economy. Students also practiced skills in predicting how price will be impacted based on economic concepts, such as greater demand causing prices to increase.

### Student Prompt

After reading and discussing how the economy works, write a description of at least two ways that prices of goods and services are impacted.

### Student Look-Fors

1. An exemplar response may include but is not limited to:
   a. Students can identify things that influence price. Student responses should include at least two of the following:
      i. Supply (including shortage/surplus/scarcity)
      ii. Demand
      iii. Competition
   
2. A strong response:
   a. References documents appropriately.
      i. Definition of and differences between producers and consumers (Sources A, B, and C)
      ii. Definition of and differences between goods and services (Sources C and D)
      iii. Types of businesses that compete (Source E)
      iv. Ways businesses compete (Source F)
   
   b. Applies the provided evidence and provides additional information outside of the provided sources.
      i. Background information on their experiences and connections experiences and connections with competitive businesses.