

HIGH PRICES – NO!

Performance Standard (15B/15C).E

Respond to a large increase in the price of an item that students typically buy with letters of protest accordingly:

- *Knowledge:* identify why a large increase in the price of milk would affect the price;
- *Reasoning:* explain reasons why prices impact the demand and the supply of milk; and
- *Communication:* write a letter of protest that is well-organized, well-focused and well-detailed; express all ideas in a way that provides evidence of knowledge and reasoning processes.

Procedures

1. ***In order to understand that scarcity necessitates choices by consumers (15B). and understand that scarcity necessitates choices by producers (15C),*** students should experience sufficient learning opportunities to develop the following:
 - Describe how a large increase or decrease in the price of a good or service would affect how much of that item would be purchased,
 - Explain why consumers will buy more goods and services at lower prices and fewer at higher prices,
 - Predict how a large increase or decrease in the price of a good or service will affect how much producers will make and sell of that good or service, and
 - Analyze why producers will produce more goods and services at higher prices and fewer at lower prices.
2. Have students review and discuss the assessment task and how the rubric will be used to evaluate their work.
3. Students need to be taught or review the Economic concepts of the law of supply and the law of demand. Alter the assessment procedures to conform to the individual school environment.
4. Provided students with a situation that involves a large increase in the price for milk (or some other item they may typically buy) as directed by the superintendent or some other authority.
5. Each student will compose an appropriate letter of protest to the decision-making authority using the law of supply and the law of demand to support his or her cause.
6. The students should deal with the following points in their letter:
 - Describe how the large increase in the price of milk would affect the sales of milk and why.
 - Predict how the cafeteria manager (or whoever sells milk) will respond to the opportunity to sell milk at a high price and why.
7. Evaluate each student's work using the Social Science Rubric as follows and add the scores to determine the performance level:
 - *Knowledge:* the description shows the effect of how the large increase in the price of milk would affect the sales of milk and the opportunity to sell milk at a higher price and is complete and accurate.
 - *Reasoning:* the explanation and prediction shows appropriate economic reasoning as to why the increase in the price of milk will affect the sales of milk based on the laws of supply and demand is logical and well-reasoned.
 - *Communication:* the letter is well-organized, well-focused, well-detailed and well-defended; the knowledge and reasoning were completely and effectively communicated.

Examples of Student Work follow

Time Requirements

- One 50-minute period

Resources

- Economics textbook or similar source of fundamental Economics
- Guidelines for an appropriate letter
- Social Science Rubric

Dear Superintendent,

I understand that milk is \$1.00 now. It may affect many people. If the milk stays this high children will stop buying milk. If children keep buying milk that would \$150 a year.

Parents would go crazy if milk was \$1.00. Secondly I predict Arbor will lose money by people not buying milk.

That is why milk should not be \$1.00.

Sincerely,

Dear Superintendent,

I understand that the milk is increasing from 30¢ to \$1.00. This might effect people, and here are some reasons of how this would effect those people. There will be less people buying the milk. Parents might not be able to afford \$1.00 a day and \$20.00 a month and about 240 dollars a year. The dairy farmers would not make enough money to support the family. This might even effect childrens grow, them not to get as much calcaium as they use to, and getting vitamina C with out the milk. These are some of the reasons of effects people or children could have if the milk increases from 30¢ to \$1.00.

These are some ways labor might get effected. It would effect labor because they would get less money for the milk because people and children would buy it less at school and stores. Labor might put some of the delivery workers out of their jobs because there might be less work and because people would not buy the milk more afften. If the delivery persons dont get pay their bills they might get aduicted. The labor company will **bankrup** if people dont buy the milk. These are some ways labor might respond.

Sincerely
A 5th grade Student