

# Unit 2: Supply and Demand

Content Area:

Course(s):

Time Period:

**Year**

Length:

**180**

Status:

**Published**

## Summary

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This unit will provide the basis for understanding how markets work by introducing the supply and demand model. Students will build on the concepts of scarcity and choice that were introduced in the first unit and explore the factors that influence consumer and producer behavior. They will learn how the interaction of consumers and producers in competitive markets determines market prices and results in the most efficient allocation of scarce resources. At the end of the unit, students will also begin exploring the effects of government policy on market outcomes, laying the groundwork for additional analysis in the last unit of the course.

## Standards

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H/SS.MICE.II	The Nature and Functions of Product Markets
H/SS.MICE.II.A	Supply and demand
H/SS.MICE.II.A.1	Market equilibrium
H/SS.MICE.II.A.2	Determinants of supply and demand
H/SS.MICE.II.A.3	Price and quantity controls
H/SS.MICE.II.A.4	Elasticity
H/SS.MICE.II.A.5	Consumer surplus, producer surplus, and allocative efficiency
H/SS.MICE.II.A.6	Tax incidence and deadweight loss

## Priority Content Standards

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## Supplemental Content Standards

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ECON.4.7	Markets and Prices
ECON.4.15	Economic Growth

## Interdisciplinary Connections (Standards)

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Please select relevant "Standards for Mathematical Practice (2023)", science and engineering practice

standards "Grades 9-12/6-8 (2023)", ELA anchor statements, Social Studies practice standards. (3-6 total are suggested)

Planning and Carrying Out Investigations  
Obtaining, Evaluating, and Communicating Information  
Using Mathematics and Computational Thinking  
Developing and Using Models  
Constructing Explanations and Designing Solutions  
Analyzing and Interpreting Data  
Engaging in Argument from Evidence  
Asking Questions and Defining Problems

## **Career Readiness, Life Literacies, and Key Skills PRACTICES**

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These practices should be taught and reinforced in all content areas with increasingly higher levels of complexity and expectation as a student advances through a program of study.

WRK.K-12.P.1	Act as a responsible and contributing community members and employee.
WRK.K-12.P.2	Attend to financial well-being.
WRK.K-12.P.3	Consider the environmental, social and economic impacts of decisions.
WRK.K-12.P.4	Demonstrate creativity and innovation.
WRK.K-12.P.5	Utilize critical thinking to make sense of problems and persevere in solving them.
WRK.K-12.P.6	Model integrity, ethical leadership and effective management.
WRK.K-12.P.7	Plan education and career paths aligned to personal goals.
WRK.K-12.P.8	Use technology to enhance productivity increase collaboration and communicate effectively.
WRK.K-12.P.9	Work productively in teams while using cultural/global competence.

## **Climate Change Standards**

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Select the Performance Expectations.

### **ClimateChange Education**

## **Stage I: Desired Results**

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<b>STAGE I Desired Results</b>
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### ***Learning Objective (Transfer)***

*Students will be able to use their learning to independently...*

- Define (using graphs as appropriate) key terms and factors related to consumer decision making and the law of demand.
- Explain (using graphs as appropriate) the relationship between price and quantity demanded and how buyers respond to incentives and constraints.
- Explain (using graphs as appropriate) buyers' responses to changes in incentives and constraints.
- Define (using graphs as appropriate) the law of supply.
- Explain (using graphs as appropriate) the relationship between price and quantity supplied
- Explain (using graphs as appropriate) producers' (sellers') responses to changes in incentives and technology.
- Define measures of elasticity.
- Define (using graphs as appropriate) market equilibrium, consumer surplus, and producer surplus.
- Calculate (using data from a graph or table as appropriate) areas of consumer surplus and producer surplus at equilibrium.
- Explain (using graphs where appropriate) how markets are affected by public policy related to international trade.
- Calculate (using data from a graph or table as appropriate) changes in market outcomes resulting from public policy related to international trade.

### ***Mastery***

#### Enduring Understanding

*Students will understand that...*

- A well-defined system of property rights is necessary for the market system to function well.
- Economic agents respond to incentives.
- Individuals often respond to incentives, such as those presented by prices, but also face constraints, such as income, time, and legal and regulatory frameworks.
- The law of demand suggests that a change in the own-price causes a change in quantity demanded in the opposite direction and a movement along a demand (marginal benefit) curve.
- The market demand curve (schedule) is derived from the summation of individual demand curves (schedules).
- Price elasticity of demand is measured by the percentage change in quantity demanded divided by the percentage change in price or the responsiveness of the quantity demanded to changes in

#### Essential Questions/Big Ideas

- What determines the market price for a good or service?
- What causes market prices to change?
- How does government policy affect market outcomes?

price. Elasticity varies along a linear demand curve, meaning slope is not elasticity.

- Ranges of values of elasticity of demand are described as elastic or inelastic with the separating benchmark being a magnitude of 1, where the change in the price and the change in the quantity demanded are proportional.

**Acquisition**

*Essential Knowledge...*

- The supply-demand model is a tool for understanding what factors influence prices and quantities and why prices and quantities might differ across markets or change over time.
- In a perfectly competitive market, equilibrium is achieved (and markets clear with no shortages or surpluses) when the price of a good or service brings the quantity supplied and quantity demanded into balance, in the sense that buyers wish to purchase the same quantity that sellers wish to provide
- Taxes and subsidies affect government revenues or costs.
- Government intervention in a market producing the efficient quantity through taxes, subsidies, price controls, or quantity controls can only decrease allocative efficiency.
- Dead-weight loss represents the losses to buyers and sellers as a result of government intervention in an efficient market.

*Suggested skills...*

- Drawing an accurately labeled graph or visual to represent an economic model or market.
- Determining the effect(s) of a change in an economic situation using quantitative data or calculations.
- Determining the outcome of an economic situation using economic concepts, principles, or models.

**Stage II: Assessment Evidence**

STAGE II Assessment Evidence	
Practices	Assessments

Progress Checks Practice FRQs Graphing activities	Unit II Test Supply and Demand simulation Public policy simulation
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## **Modifications**

Additional time on assessments

Guided notes

Audio/visual examples

Study guides

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## **Acceleration**

Additional graphing practice

Supplemental readings

Additional free response practice

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## **Stage III: Learning Plan**

Unit 2: 2-3 weeks

- Lesson 1.1: Supply and Demand: Class Auction
- Lesson 1.2: Supply and Demand: Real estate market case study
- Lesson 1.3: Supply and Demand: graphing activity
- Lesson 2.1: Price elasticity scenarios
- Lesson 2.2: Government policies jigsaw
- Lesson 3.1: Tariffs and international trade, current events connection
- Lesson 3.2: Public policy graphing simulation
- Lesson 3.3: Unit II Test

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## **Diversity, Equity, & Inclusion**

### Diversity, Equity & Inclusion

Students will evaluate how individuals of varying backgrounds determine the value and demand for goods

## **Specific Resources for Unit**

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- [jacob clifford youtube channel](#) & [website](#)
- [Jason Welker youtube channel](#) (has useful videos aligned to the course and a ton of videos about graphs)
- [Review Econ \(Jacob Reed\) youtube channel](#)
- [T-Pock's economics course](#) & [T-Pock youtube channel](#)
- [Wizeprep online course](#)\*: (similar to Khan academy but focused on the principles of microeconomics)
- [MRU online course](#)\* (has not only review videos but teacher resources, review games, etc to use)
- [Federal Reserve Education](#) (can filter the site based on unit/topic and it will provide lesson plans that you can download as a PDF or link to google classroom)
- [AP micro Khan academy](#)\*
- [AP practice exams.com](#) (useful platform with practice questions, links to helpful videos/youtube channels)
- [The Economist youtube channel](#) (various videos pertaining to economics)
- [Economics Explained](#) (various videos pertaining to economics)
- [Think Econ](#) (great resource with many videos pertaining to the course)
- [One minute economics](#) (short videos about different economic topics)
- [UMASS Amherst economics](#) (videos from professors)
- [Department of Economics Oxford U](#)
- [Crash course economics](#) (same as the John Green network making these crash course videos)

- [EconDal](#) (videos from an economics teacher about various topics)
- [lessons for AP micro](#)

Free practice tests/questions:

- [Varsity Tutors](#)
- [High School Test Prep](#)
- [AP Microeconomics Practice Test Room](#)
  
- [AP Microeconomics Practice Tests](#)

Articles:

- [financial times](#)
- [Albert IO](#)

## **Technology Integration**

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Northern supports the integration of the [SAMR Model](#): a framework which extends learning through the use of technology. The installation of interactive boards, the purchase of softwares and subscriptions, and the investment in 1:1 laptops and various other instructional technologies are examples of Northern's commitment to enhancing students' learning and preparing the 21st century learner for college and careers.