Jam Market Choices

Trace how scarcity, prices, incentives, competition, and voluntary exchange shape a market.

SS.6.E.1 "Understand the fundamental concepts relevant to the development of a market economy."

NAME ______________________________ DATE ______________

1 READ AND MARK

Read it twice

YOUR JOB Underline words or phrases that show scarcity or demand. Circle each price, cost, incentive, or choice, so you can see how people respond in a market.

A Saturday Market

1 At the Saturday market, Maya sells jars of strawberry jam. She has only 20 jars because berries were scarce after a late frost. Many shoppers want jam, and all 20 jars sell by noon. The next week, Maya brings 20 jars again but raises the price from $5 to $6. The higher price helps show that the jam is limited compared with the number of buyers who want it. Some shoppers buy jam, while others choose a different spread.

2 Price gives signals to both buyers and sellers. When jam sells quickly, Maya learns that customers value it at the current price. The possible extra money gives her an incentive to make more jam next season. However, she must compare that benefit with her costs for berries, sugar, jars, and her time. If costs rise too much, making additional jars may not be worth it. Her choice shows how a producer uses limited resources to try to earn a profit.

3 Other sellers at the market notice Maya's success. Luis begins selling peach jam, and Nia offers apple butter. These sellers compete for shoppers' dollars. Competition can give buyers more choices and can encourage sellers to improve quality or offer a price shoppers will accept. Every purchase is voluntary. Maya wants money for her jam, and a shopper wants jam more than the $6 at that moment. Neither side has to make the exchange, so each decides whether the trade is worthwhile.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did scarcity and strong demand lead Maya to change her price?

2. What information does the price of jam give Maya and shoppers?

3. What incentive might lead Maya to make more jam, and what costs must she consider?

4. How does competition among the jam sellers affect buyers at the market?

3 YOUR TURN

Your own words

Invent a product sold at a small market. In 4 to 5 sentences, explain a scarcity or change in demand, a price decision by the seller, an incentive affecting the seller, and why a buyer might voluntarily buy or not buy.

Jam Market Choices

PART 1 · READ AND MARK

Underline words or phrases that show scarcity or demand. Circle each price, cost, incentive, or choice, so you can see how people respond in a market. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did scarcity and strong demand lead Maya to change her price?	**A late frost made berries scarce, so Maya had only 20 jars. Because many shoppers wanted the jam and it sold quickly, she raised the price from $5 to $6.**
2	What information does the price of jam give Maya and shoppers?	**The price tells Maya that shoppers value the jam and helps her decide whether to make more. It tells shoppers what they must give up, $6, to buy a jar.**
3	What incentive might lead Maya to make more jam, and what costs must she consider?	**The chance to earn extra money is an incentive to make more jam. She must consider the costs of berries, sugar, jars, and her time.**
4	How does competition among the jam sellers affect buyers at the market?	**Competition gives buyers more choices, such as peach jam or apple butter. It can also encourage sellers to improve quality or offer a price shoppers will accept.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

After a storm, only a few cartons of eggs reach the market. Jordan raises the price of a carton from $4 to $5 because many buyers want the limited eggs. The chance to earn more money encourages Jordan to order eggs from another farm, but delivery costs affect that choice. A buyer who needs eggs for breakfast may decide they are worth $5, while another buyer may choose cereal instead.

Accept equivalent explanations that correctly connect scarcity or demand to price, incentives to seller decisions, and voluntary exchange to each side's choice. For the open response, look for all four required market concepts in a logical, accurate situation.