Price Changes Choices

Trace how higher and lower prices can shape economic decisions.

SS5E1.b "Explain how price incentives affect people's behavior and choices (e.g., decisions to participate in cattle trails because of increased beef prices)."

NAME ______________________________ DATE ______________

1 READ AND MARK

Read it twice

YOUR JOB Underline each price change or possible gain, circle each choice people might make, and number matching price-and-choice pairs.

Cattle and the Trail

1 In the years after the Civil War, many Texas ranchers had large herds of longhorn cattle. Beef sold for little money in Texas because many cattle were available there. Farther east, growing cities wanted more beef. When beef prices rose in those markets, ranchers could earn much more by selling cattle where demand was high.

2 A rancher did not receive the eastern price automatically. He had to hire drovers, buy supplies, and guide the herd for months to a rail town in Kansas. There, cattle could travel by train to other markets. The chance to earn a higher price encouraged some ranchers and workers to accept the hard trip, its costs, and its risks.

3 Price incentives do not make every person choose the same action. If the expected selling price dropped, a long trail might no longer cover the costs of the drive. A rancher might sell cattle closer to home, wait for a better price, or use money and workers in another way. People compare possible gains with costs when they choose.

2 ANSWER WITH EVIDENCE

Use the passage

1. Why did beef sell for little money in Texas?

2. What price incentive encouraged some ranchers to take cattle on a trail?

3. Name one cost or risk that ranchers and workers accepted on a cattle trail.

4. How might a drop in the expected selling price change a rancher's choice?

3 YOUR TURN

Your own words

Imagine that the price buyers pay for apples rises. In three sentences, explain one choice an orchard owner might make, how the higher price is an incentive, and one cost or risk the owner must consider.

ANSWER KEY # Price Changes Choices

PART 1 · READ AND MARK

Underline each price change or possible gain, circle each choice people might make, and number matching price-and-choice pairs. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Why did beef sell for little money in Texas?	**Many cattle were available in Texas.**
2	What price incentive encouraged some ranchers to take cattle on a trail?	**They expected to earn a much higher price by selling beef in markets farther east.**
3	Name one cost or risk that ranchers and workers accepted on a cattle trail.	**Answers include hiring drovers, buying supplies, a months-long trip, or the risks of the drive.**
4	How might a drop in the expected selling price change a rancher's choice?	**The rancher might sell closer to home, wait for a better price, or use money and workers another way.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

The orchard owner may hire workers to pick more apples and send them to a larger market. The higher apple price gives the owner a reason to sell more apples because each bushel earns more money. Hiring workers costs money, and a storm could damage apples before harvest.

Accept any logical choice that responds to a higher apple price and clearly explains the expected gain. The response must also name a realistic cost or risk connected to the choice.