Choices at the Trail

Read how buyers and sellers make decisions in a market economy.

5.SS.3.3 "Describe the basic characteristics of a market economy."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two choices made by buyers or sellers, circle a sentence that shows competition affecting a price, and put a star beside the sentence that explains profit.

Two Bicycle Repair Shops

1 On Saturday, Maya opens a bicycle repair stand beside a busy trail. She owns her tools and chooses which repairs to offer. Across the street, Mr. Lee owns another repair shop. Neither shop is assigned its customers. Riders decide whether to buy a repair, do the work themselves, or go elsewhere. These choices are part of a market economy, where people and businesses make many buying and selling decisions.

2 At first, Maya charges $15 to fix a flat tire. Mr. Lee charges $12 for the same job, and several riders choose his shop. Maya may lower her price to attract riders, but she must still cover her costs. When many riders need repairs after a race, both shops may have more customers. Prices can change as sellers respond to what buyers want and what other sellers offer.

3 Maya buys patches and pays for a place to set up her stand. The money left after she pays these costs is her profit. She hopes to earn a profit, so she tries to offer quick, careful repairs that riders will pay for. The town still has safety rules for businesses. A market economy gives buyers and sellers many choices, but it does not mean businesses can ignore laws.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do Maya's tools and repair choices show what a business owner can control in a market economy?

2. What choices do riders have when they need a repair?

3. How might competition with Mr. Lee change Maya's price?

4. How does the hope of profit affect the repairs Maya offers?

3 YOUR TURN

Your own words

Invent a business that sells something other than bicycle repairs. In four sentences, describe what its owner controls, a choice buyers have, how competition could affect its price, and why the owner wants a profit.

ANSWER KEY

Choices at the Trail

GRADE 5 · 5.SS.3.3

PART 1 · READ AND MARK

Underline two choices made by buyers or sellers, circle a sentence that shows competition affecting a price, and put a star beside the sentence that explains profit. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do Maya's tools and repair choices show what a business owner can control in a market economy?	**Maya owns her tools and decides which repairs her stand will offer.**
2	What choices do riders have when they need a repair?	**They can buy a repair from either shop, do the work themselves, or go elsewhere.**
3	How might competition with Mr. Lee change Maya's price?	**Because Mr. Lee charges less for the same job, Maya may lower her price to attract riders.**
4	How does the hope of profit affect the repairs Maya offers?	**She tries to offer quick, careful repairs that riders will pay for.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I own a fruit cup stand and decide which fruits to sell. Shoppers can buy my cups, choose another snack, or make their own. If a nearby stand sells similar cups for less, I might lower my price to attract shoppers. I want a profit so I can earn money after paying for fruit and cups.

Accept other accurate examples of owner and buyer choices. For the open task, look for four sentences that explain all four requested features of a market economy.