When Prices Change

Explore supply and demand in two markets.

4.P.2.4.B "Explain how the concept of supply and demand operates in a market economy, using historical and contemporary examples."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline one detail about supply and circle one detail about demand in each market. Draw a box around one possible price change in each market.

Ice Then, Umbrellas Now

1. In the 1800s, workers cut ice from frozen ponds and stored it under sawdust. They sold it in warmer months to people who wanted to keep food cool. In a market, supply means how much sellers have to offer. Demand means how much buyers want. Ice sellers could not make more pond ice in July, so their stored ice mattered.

2. Imagine a town after a winter when its ponds froze for only a short time. Workers cut fewer ice blocks, so the summer supply was small. On a very hot day, more families wanted ice for their food. With little ice to sell and many buyers, sellers could ask a higher price. Some families might buy less ice because of that price.

3. A similar change can happen today at a street market. When rain begins, many shoppers want umbrellas at once. If one stall has only a few, its seller may raise the price. The next day, more sellers bring umbrellas to the market. The supply grows while the rain stops and fewer people want umbrellas. Sellers may lower prices to attract buyers.

2 ANSWER WITH EVIDENCE

Use the passage

1. How could a short freezing season affect the summer supply and price of ice?

2. Why could ice sellers ask a higher price on a very hot day?

3. When rain begins, how do shoppers affect the demand for umbrellas and the price a seller may ask?

4. Why might umbrella sellers lower their prices the next day?

3 YOUR TURN

Your own words

Invent a three-sentence market story about a product other than ice or umbrellas. Tell what changes in supply or demand, how its price might change, and why buyers or sellers react that way.

ANSWER KEY

When Prices Change

GRADE 4 · 4.P.2.4.B

PART 1 · READ AND MARK

Underline one detail about supply and circle one detail about demand in each market. Draw a box around one possible price change in each market. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How could a short freezing season affect the summer supply and price of ice?	**Workers could cut fewer ice blocks, leaving a smaller summer supply. Sellers could ask a higher price.**
2	Why could ice sellers ask a higher price on a very hot day?	**More families wanted ice, but sellers had little ice to offer.**
3	When rain begins, how do shoppers affect the demand for umbrellas and the price a seller may ask?	**More shoppers want umbrellas, so demand rises. A seller with few umbrellas may raise the price.**
4	Why might umbrella sellers lower their prices the next day?	**More sellers bring umbrellas, increasing supply, while the rain stops and fewer shoppers want them.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

At a school fair, many children want red kites, but one booth has only five. Demand is high and supply is low, so the seller might raise the price. Some children might choose a different toy instead.

Accept answers that connect a change in supply or demand to a possible price change. Prices are possibilities, not guaranteed results.