# Ice Price Puzzle

Trace how supply and demand shape consumer choices.

**5.11.A** "explain how supply and demand affects consumers in the United States; and"

NAME ______________________ DATE ____________

## 1 READ AND MARK

Read it twice

**YOUR JOB** Underline each change in supply or demand, then circle the price or consumer choice that happens because of it.

### A Hot Day at the Store

1. On a hot Saturday, many families in a town wanted bags of ice for picnics. The grocery store had only a small shipment because its delivery truck arrived late. When many people want a product, demand is high. When a store has fewer products available, supply is low. The store raised the price of each bag of ice. Some shoppers bought ice anyway, while others chose cold drinks instead.

2. Later that week, the store received a large ice delivery, and the weather became cooler. Fewer customers wanted ice, so demand fell. The store now had many bags available, so supply was high. To attract buyers, the store lowered the price. Consumers could spend less for a bag of ice. A lower price may also let a family buy ice and another item with the same amount of money.

3. Supply and demand affect more than one shopper. Stores watch what customers are willing to buy and how much product they can get. If demand rises while supply stays low, prices often rise. This can make consumers compare prices, buy less, wait, or choose a substitute. If supply rises or demand drops, prices may fall. Consumers then may be able to buy more or save money for other needs.

## 2 ANSWER WITH EVIDENCE

Use the passage

1. Why was the supply of ice low on the hot Saturday?

2. How did high demand and low supply affect the price of ice and shoppers' choices on Saturday?

3. What two changes later in the week helped cause the store to lower the price of ice?

4. Name two choices consumers may make when demand rises but supply stays low.

## 3 YOUR TURN

Your own words

Imagine a store has many umbrellas after a rainy week ends, but few customers want them. Write three sentences explaining the supply, demand, likely price, and one effect on consumers.

### PART 1 · READ AND MARK

Underline each change in supply or demand, then circle the price or consumer choice that happens because of it. Accept any marking that follows this job and points at the right text.

### PART 2 · ANSWERS

| # | QUESTION | ANSWER |
|---|---|---|
| 1 | Why was the supply of ice low on the hot Saturday? | **The delivery truck arrived late, so the store had only a small shipment of ice.** |
| 2 | How did high demand and low supply affect the price of ice and shoppers' choices on Saturday? | **The store raised the price. Some shoppers bought ice, while others chose cold drinks instead.** |
| 3 | What two changes later in the week helped cause the store to lower the price of ice? | **The store received a large delivery, making supply high, and cooler weather caused demand to fall.** |
| 4 | Name two choices consumers may make when demand rises but supply stays low. | **Answers may include compare prices, buy less, wait, or choose a substitute.** |

### PART 3 · YOUR TURN (SAMPLE ANSWER)

The supply of umbrellas is high, and demand is low. The store may lower the price to encourage sales. Consumers may buy an umbrella for less money or save money for something else.

Accept responses that correctly connect high supply and low demand to a likely lower price. The consumer effect must be a reasonable result of the lower price, such as spending less, buying more, or saving money.