

# Market Forces Meet

Trace how choices, businesses, and public rules shape a market.

**CE.12.e** “explaining the role of consumers, producers, and government interactions on the economy;”

NAME \_\_\_\_\_

DATE \_\_\_\_\_

## 1 READ AND MARK \_\_\_\_\_ Read it twice

**YOUR JOB** Underline each consumer action, circle each producer action, and number government actions in the order they appear to show how the three groups affect the market.

### Market Day Choices

- ① On Saturday, Maya visits Riverfront Market with twenty dollars. She compares prices at two fruit stands and buys peaches from Green Basket Farm. Maya is a consumer because she chooses and uses goods. Her purchase tells the farm that customers want peaches at that price. Other shoppers also ask for locally grown apples, so their choices send information about what sellers may offer next week. When many shoppers make similar choices, businesses notice the pattern and adjust their plans.
- ② Green Basket Farm is a producer because it grows peaches and apples for sale. The farm pays workers, buys seeds, and decides how much fruit to bring to market. If shoppers buy most of the peaches early, the owner may bring more peaches next Saturday. If fewer people buy apples, the owner may grow fewer apple trees or lower the apple price. Producers respond to consumer demand, but weather and costs can affect their choices.
- ③ The town government also affects the market. It requires food sellers to have permits and follow health rules, which helps protect buyers. The town collects a sales tax on purchases and uses tax money for services such as street cleaning near the market. Government does not decide which fruit Maya must buy, but its rules and services shape the place where consumers and producers meet there. Each group influences economic activity in a different way.

**2 ANSWER WITH EVIDENCE** \_\_\_\_\_ Use the passage

**1** How does Maya's purchase of peaches give Green Basket Farm information about consumers?

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**2** What might the farm do if shoppers buy most of its peaches early? Explain why.

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**3** Name two ways the town government affects the market, and tell how each action affects people there.

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**4** How do consumers, producers, and government each affect economic activity at Riverfront Market?

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**3 YOUR TURN** \_\_\_\_\_ Your own words

Write exactly three sentences about an imaginary lunchtime smoothie stand. Describe a consumer choice in sentence 1, a producer response in sentence 2, and a government rule or service that affects the stand in sentence 3.

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**PART 1 • READ AND MARK**

Underline each consumer action, circle each producer action, and number government actions in the order they appear to show how the three groups affect the market. Accept any marking that follows this job and points at the right text.

**PART 2 • ANSWERS**

| # | QUESTION                                                                                             | ANSWER                                                                                                                                                                                      |
|---|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | How does Maya's purchase of peaches give Green Basket Farm information about consumers?              | <b>Her purchase shows the farm that customers want peaches at that price.</b>                                                                                                               |
| 2 | What might the farm do if shoppers buy most of its peaches early? Explain why.                       | <b>The owner may bring more peaches the next Saturday because strong purchases show high consumer demand.</b>                                                                               |
| 3 | Name two ways the town government affects the market, and tell how each action affects people there. | <b>The town requires permits and health rules to help protect buyers. It collects sales tax and uses the money for services such as street cleaning near the market.</b>                    |
| 4 | How do consumers, producers, and government each affect economic activity at Riverfront Market?      | <b>Consumers make buying choices that show demand. Producers decide what and how much to sell in response to demand. Government sets rules and provides services that shape the market.</b> |

**PART 3 • YOUR TURN (SAMPLE ANSWER)**

Students choose strawberry smoothies more often than mango smoothies. The stand owner makes more strawberry smoothies for the next lunch period. The local health department requires the stand to follow food-safety rules, which helps protect customers.

Accept varied imaginary examples if all three sentences correctly identify a consumer choice, a producer response, and a government rule or service. The producer response should connect logically to consumer demand or another stated economic condition.