

Creating a Business Plan Lesson 5: Supply and Demand-Where Does Our Product Fit?

SUBMITTED BY: WGYP Summer Educator

SUBJECT(S): Entrepreneurship

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson of the unit Creating a Business Plan, students will learn the rules of supply and demand and begin to apply those rules to real-life situations and their own marketing plans for their business plans.

≡ NBEA STANDARD(S):

- Entrepreneurship, III. Economics
- Entrepreneurship, IX. Business Plans

≡ RELATED ARTICLES:

- [“Three Students Take Their ‘Smart Straw’ to Market and Raise Awareness about Sexual Assault”](#)
- [“The Supply Chain: Who Knew that Every Oreo Makes a Journey?”](#)
- [“Inside the Bee Economy”](#)
- [“Exploring the Economics of Everyday Life”](#)
- [“A Maker Develops the Business Plan for His Latest ‘Eye-pad’ Innovation”](#)
- [“A ‘Sneakerhead’ Shares His Simple Strategy: Buy Low and Sell High”](#)

Common Core Standard(s):

- CCM Standard for Statistics and Probability: interpret linear models.

Objectives/Purposes: In this lesson, students will learn and apply the rules of supply and demand.

Other Resources/Materials:

- Computer
- Wharton Global Youth Program Glossary Video: Supply and Demand by Professor Jerry Wind <https://globalyouth.wharton.upenn.edu/glossary/supply-and-demand/>
- PowerPoint: *Supply and Demand* (if not available use [attached handout](#))
 - Posters/Newsprint, paper, markers, etc.

Activity:

1. Do Now: What do you know about supply and demand? Write answers on the board. Everyone must contribute. (5 min)
2. Teacher shows the glossary video of Supply and Demand by Professor Jerry Wind (<https://globalyouth.wharton.upenn.edu/glossary/supply-and-demand/>). Review what Prof. Wind said and what students wrote on the board. (5 min)
3. Move into the PowerPoint. If a computer for PowerPoint is not available the teacher can use handout. (20 min)
 1. Slide 1: Introduction
 2. Slide 2: Go over the law of supply. Use the graph on the slide to help students understand. Answer any questions and ask students questions so they are explaining what they think it means.
 3. Slide 3: Go over the law of demand. Again, use the graph to illustrate the point. Have student ask questions and also ask questions to the students.
 4. Slide 4: Go over the relationship between supply and demand and talk about equilibrium. There is not a lot on this page, but a good amount of time should be spent having students come to the board and explain what they think it means. Have them start to analyze the graph and how it works.
 5. Slide 5: Moves a step further and pushes students to consider what happens if supply goes up. There are three parts to this slide. Go over each on. The more students can do the explaining the better.
 6. Slide 6: The next step is to ask students what happens when demand goes down and have them figure it out. Students should come to the board.

7. Slide 7: Questions for students to think about. In small groups it would be good for each group to spend five min answering these questions and then someone can come to the front of the class and present.
4. The remaining time, students should work in groups and apply this information to their own product. They have already learned about marketing, so they should begin to think about how they will price their product and the quantity they will produce. Remind students they must be able to explain and support their decisions. (10 – 15 min)
5. Wrap up: If you were just entering the market with a new product, where would you want the supply and demand to be and why? (2-5 min)

Practice Outside of the Classroom:

A good extension would be for students to go home and work on the marketing plan now that they have more information about how to determine price based on supply and demand.

What Worked and What I Would Do Differently:

Teacher can also extend this into the math class; a good idea is to talk to the math teacher prior to this lesson to identify a connection.

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