

## FUND RAISING

### Performance Standard (15B/15C).J

Each student is in charge of a fund raising project and must examine his or her interest in buying one of the items (demand) and his or her willingness to sell one of the items (supply) accordingly:

- *Knowledge*: identify the key concepts in supply and demand determinants;
- *Reasoning*: analyze the given determinants and make a logical recommendation for prices, and
- *Communication*: write a well-organized, well-focused and well-detailed recommendation; express all ideas in a way that provides evidence of knowledge and reasoning processes.

### Procedures

1. ***In order to understand that scarcity necessitates choices by consumers (15B), and understand that scarcity necessitates choices by producers (15C)***, students should experience sufficient learning opportunities to develop the following:
  - Identify the non-price determinants of demand and predict change in demand and market price for a product when any of those determinants change, and
  - Predict the change in supply of a product and the market price for the product when non-price determinants of supply change.
2. Have students review and discuss the following assessment task and how the rubric will be used to evaluate their work.
3. Students need to be taught or review the Economic concepts of the law of supply and the law of demand. Students need to be taught or review the determinants of supply and demand and how prices change due to changes in those determinants that then change supply or demand.
4. Each student takes the role of class fundraiser who must make a written recommendation for an item the class will purchase for resale and try to convince the class that the choice is right.
5. Each student selects what he or she considers the item most fellow students would buy from the following list of equally priced items: (Candy bars, large suckers, key chains, fake tattoos, sunglasses, earrings, and magnetic locker mirrors).
6. Have students use four of the following list of non-price determinants of demand to provide reasons why more students will buy the selected item: income, availability of substitutes, availability of complementary goods, weather or season, styles, tastes, habits, and expectations for future. The item and the reasons students will buy it make up the beginning part of the recommendation to the class. The reasons should be identified with the appropriate determinant.
7. The student will suggest an event that would change one of the determinants used. The student would then predict how demand for the product would change. The student then predicts how the price of the item may change if the change in demand were significant and widespread. The reason(s) for each prediction should be explained. This will make up the second part of the recommendation.
8. The student will then take a different look at the selected item. He or she will look at the product from the standpoint of selling it rather than buying it. The following are the non-price determinants of supply: cost of production, number of sellers or producers, expectations for the future. The student will suggest an event that would change one of those determinants. The student would then predict and explain how the willingness of the class to sell the product (supply) would change and how they should change the price of the item as a result. This will make up the third part of the recommendation.
9. Evaluate each student's work using the Social Science Rubric as follows and add the scores to determine the performance level:
  - *Knowledge*: the identification of the key concepts and facts associated with the supply and demand determinants are accurate and complete.
  - *Reasoning*: the economic reasoning in the recommendation is appropriate and logical.
  - *Communication*: the writing of the recommendation is well-organized, well-detailed and well-focused; the knowledge and reasoning were completely and effectively communicated.

**Examples of Student Work follow****Resources**

- Economics textbook
- Social Science Rubric

**Time Requirements**

- One 50-minute period to write recommendation

# Candy Bars

As the fundraising chairman of my class I have chosen to sell candy bars for the following non price determinants.

Income: Candy bars are cheap; they will make a lot of money. Sunglasses and mirrors are too expensive.

Weather/Seasons: Weather and the different seasons don't really affect the selling of candy bars. People have to eat and they love candy bars. Sometimes in the summer people may not always be in the mood for one, but it doesn't really affect them, because for the most part, candy bars are always in season.

Styles - tastes - habits: There are many different types of candy bars. There are caramel, chocolate, some with nuts, and mixtures of all kinds. Candy bars are made in every size from bite size to king size. There aren't a lot of different styles of magnetic locker mirrors.

Expectations for future: Candy bars have been around for years and will continue to be. People love chocolate and candy bars. With the holidays, like Easter, coming there will be a demand for candy bars.

Weather and seasons could change how well candy bars sell. If it's winter and there's a blizzard or ice, people won't be able to get around and sell the candy bars. Therefore, the profits would be down.

As the fundraising chairman of my class I have decided that candy bars are a good thing to sell based on the following determinants.

Cost of production: Candy bars are cheap to produce, they are a good price, and easy to sell.

# of sellers/producers: The class could be the only one in the school selling candy bars.

Expectations for future: Easter is right around the corner and candy bars will be in high demand.

When an event like Christmas comes around it would be more difficult to get and the price would most likely go up.

The willingness would be affected because people wouldn't want to go out and sell candy bars when it's getting close to Christmas, so not much profit would be made.

# Fund Raising

As the fundraising chairperson of my class I have chosen to sell large suckers. This is a better product to sell compared to other options - based on the following non price determinants.

Income: Suckers are cheaper than the other products that we could choose from such as sunglasses or keychains.

Weather/Seasons: Suckers are a popular item year round. Unlike candybars that melt in hot weather, suckers are in demand no matter what the weather is.

Availability of Complimentary Goods: Suckers last longer than the other hard candies this is why suckers will sell better than the other complimentary goods.

Availability of Substitutes: There are only a few types of suckers. Most of the time people will buy what is available to them.

An event that would effect the demand for large suckers would be if a candy company made a new type of sucker. People would be more likely want the knew sucker therefor the demand for large suckers would decrease. We would probably be required to lower the price of our suckers in order to sell enough.

Suckers would be a good choice from the sellers point of view according to these non price determinants.

Cost of production: The cost of production for large suckers would be very inexpensive. It will be easy to make profit on each sucker

Number of Sellers or Producers: There are only a few companys that make quality suckers. The class will be selling the most popular sucker so people will buy from us.

Expectation for future: Suckers will always be a popular item among society.

An event that would change one of these non price determinants would be if the students were not rewarded for selling the product.