

Entrepreneur: Supply and Demand

Adventure Description:

In this adventure, you will think like an entrepreneur and learn about how to price and sell items based on supply and demand.

Activity

Teacher Set Up (this should be done prior to class):

- You will need to divide your class into half entrepreneurs and half consumers. You have different sets of entrepreneur materials. Print out enough sets of entrepreneurs so that half your class will have enough materials. Equally distribute the sets among entrepreneurs. For example, you do not want all your entrepreneurs to only have sets 1 or 2. Sets are labeled 1-6 in [Handouts: Entrepreneur Products 1-6](#).
- For each entrepreneur, print and cut out the products that the entrepreneur will get to sell. Or, you can have students do the cutting out.
- Provide each entrepreneur with their pricing sheets, called [Handout: Entrepreneur Pricing Sheets 1-6](#).
- Print a [Handout: Open for Business Sign](#) for each entrepreneur.
- Provide entrepreneurs with \$50 worth of Rozzy money so that they can provide change to consumers. from [Handout: Money for Consumers](#). Put money in an envelope for each entrepreneur.
- For students who are consumers, print and cut out \$50 worth of Rozzy money and put in an envelope.

Step 1: Background Information on Entrepreneurs and Supply and Demand (5 minutes)

- Show [Video: Supply and Demand](#).
- Explain to students an entrepreneur is someone who starts or runs their own business. Entrepreneurs need to understand supply and demand.
- Show: [Handout: Supply and Demand](#). Discuss the meaning of supply and demand as a class.

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Step 2: Introducing Students to the Game (5 minutes)

- Explain to students that they will be playing a game. Half the class will be entrepreneurs selling items to make money for a store they just opened. The other half of the class will be consumers, or people who are spending money to buy items.
- Provide students with [Handout: Steps to Play the Game](#). As a class, read through the steps that students will take to play the game. Explain that when the game starts, consumers will walk around the room and buy items using their money. Each consumer has \$50.
- Explain to entrepreneurs that they can change the price of items in \$5 increments based upon whether consumers are buying items.
- Explain to entrepreneurs that they will need to think about supply and demand. If a lot of people want to buy something, the price goes up! If there are a lot of items that no one is buying, the price goes down! The entrepreneurs can change their prices whenever they see fit.

Step 3: Game Time (10+ minutes)

- Divide class so that half the students will be entrepreneurs and half will be consumers.
- Each entrepreneur should receive the following:
 - A set of products to sell.
 - [Handout: Open for Business Sign](#)
 - Pricing sheets for their products
 - An envelope with \$50 in Rozzy money
- Each consumer should receive the following:
 - An envelope with \$50 in Rozzy money
 - A plastic bag to hold the items they purchase.

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- Tell entrepreneurs that they will each find a place in the room to sell their items (a desk, corner of classroom). Have students set up their items on a floor or table for consumers to see.
- When the teacher tells the class to start the game, consumers will walk around and buy items using the money they have.
- Remind entrepreneurs to change the prices on their pricing sheets in increments of \$5 depending on supply and demand.
- Entrepreneurs must remove their Open For Business Signs when they are out of products.
- Teachers can end the game after 10, 15, or 20 minutes, depending on how much time you have. The game can also end when all the entrepreneurs have closed their stores or when all consumers run out of money.

Step 4: Discussion and Reflection (5 minutes)

- When the game ends, have entrepreneurs add up how much money they made. Have consumers count how many items they purchased.
- Discuss how supply and demand affect the behavior of consumers and entrepreneurs. Discuss why the pricing changed for each item. Did certain items increase in price while others decreased in price? Discuss how items that had high demand increased in price, while items that had low demand had their price decreased.

Extra Time?

- You can play this game multiple times. Have students switch off being consumers and entrepreneurs.
 - Tip: To do this quickly, just ask the entrepreneurs to raise their hands and have the consumers find someone with their hand raised to switch.
- Use blank templates where students can come up with their own items to sell and own prices.

Teacher Note:

- **Handout:** [Money for Consumers](#) have been provided in both color (for printing on white computer paper) and black and white (for printing on green or other colored paper).

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Materials List

Provided online:

- Video: Supply and Demand
- Handout: Supply and Demand
- Handout: Steps to Play the Game
- Handout: Open for Business Sign
- Handout: Entrepreneur Products 1-6
- Handout: Entrepreneur Pricing Sheet 1-6
- Handout: Money for Consumers

Not Provided online (each student needs):

- Plastic bag or grocery bag
- Envelopes
- Scissors

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