



P.S.H.E

13:30 – 14:00

PSHE – Living in the Wider World

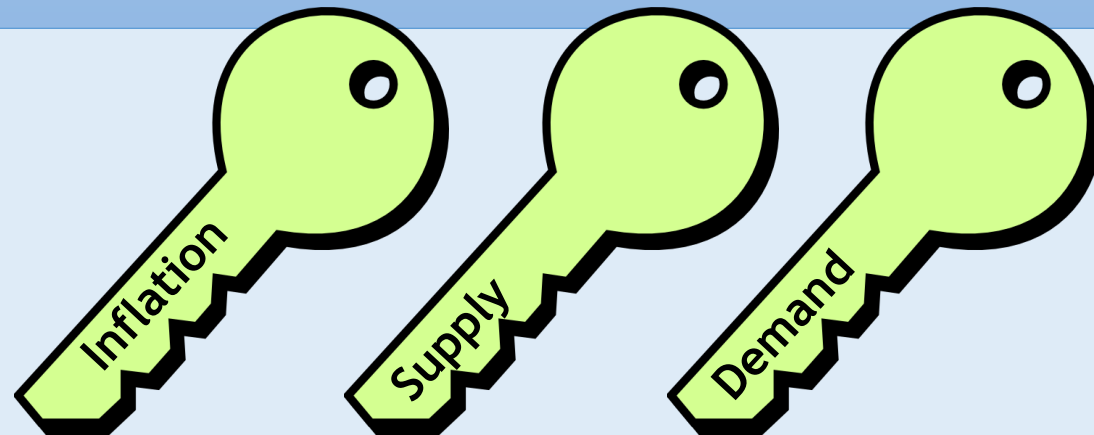
Monday 25th January 2021

25/01/2021

So far we have begun to develop our understanding of Banks and the money cycle as well as beginning to learn about the Bank of England.

Today, we are going to be continuing to develop our understanding of money using the resources from the Bank of England.

The focus of today's session is to find out why prices change over time.



# Learning objective: to understand why prices change over time

So what will we be learning about today?  
Watch the '[What is money worth?](#)' clip and find out!

## Learning outcomes



### Challenge:

Identify what we mean by supply and demand and the reasons why prices can change.



### More challenging:

Describe accurately how supply and demand can affect prices.



### Mega challenge:

Explain the relationship between supply and demand as well as why prices change over time.



# Today's key words

## Inflation

An ongoing increase in the price of goods and services (things we use and buy) over time.

## Supply

The goods and services that producers are willing or able to provide at a particular price.

## Demand

The quantity of goods or services that people want and are able to buy.



All of the key words from today are in your **glossary**. They will also be explained as we go through the lesson.

### **TASK 1: Why do prices change over time?**

Look at the three ideas below – using the pictures, can you come up with a sentence to say what you think the Bank of England does?

Minnie has been saving all year for some awesome headphones. When Minnie saw them in the shop they were £75. However, the shop has sold out and the only ones she can find online are £100.

Look at the scenario above. Why do you think that this has happened?

Ask your parents if they can think of an example of this happening?

*I can think of an example from just before Christmas!*

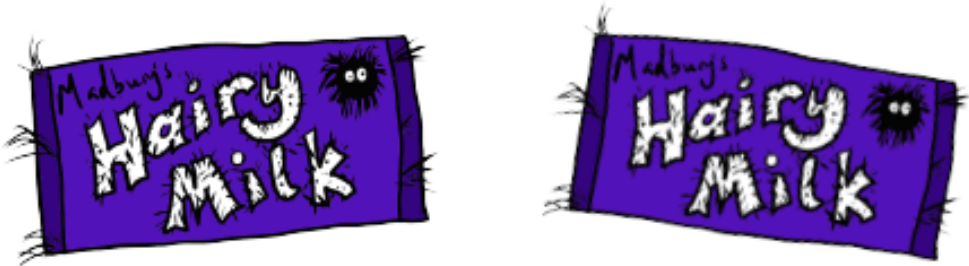
**Have a go at completing the worksheet – Why do prices change over time?**

## TASK 2: Sweet Supply and Demand?

Read the following scenarios and have a go at answering the following questions:

### Scenario 1

People want to buy a new brand of chocolate bar called Madbury's Hairy Milk.



It's super popular! This means it's in **high demand**.

Madbury's decide to make bars for everyone. This means it's in **high supply**.

Oh no! Madbury's have run out of the key ingredient... camel hair! They can't make as many chocolate bars now but they are still in high demand.

Circle the correct answers.

Madbury's Hairy Milk bars will become **more / less** expensive.

Madbury's will now charge a **higher / lower** price because the chocolate bar is in **high / low** demand.

### Scenario 2

People want to buy a new brand of chocolate bar called Madbury's Hairy Milk. It was in **high demand** and **high supply** but all of a sudden, people got bored with the taste and stopped buying it. However, Madbury's are still making the same amount as before.

Circle the correct answers.

Madbury's Hairy Milk bars will become **more / less** expensive.

Madbury's will now charge a **higher / lower** price because the chocolate bar is in **high / low** demand.

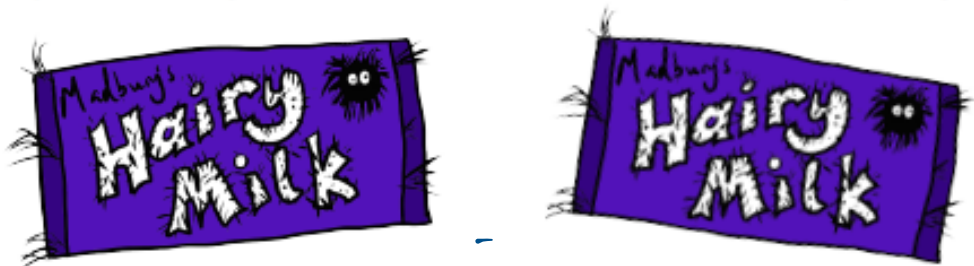


## TASK 2: Sweet Supply and Demand? ANSWERS

How did you do? Check your answers below:

### Scenario 1

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### Scenario 2

People want to buy a new brand of chocolate bar called Madbury's Hairy Milk. It was in **high demand** and **high supply** but all of a sudden, people got bored with the taste and stopped buying it. However, Madbury's are still making the same amount as before.

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### TASK 3: A question of supply and demand?

Have a go at completing the following table. (It is saved as a word document for you to edit if you want to)

What has happened that may have caused the price of certain goods to change?	What will happen to the price of the new item or service?	Why do you think this?	Explain what could possibly happen to change this situation.
A new phone – the Amaze350, has been launched which shows live 3D holograms of the people you are talking to. Everyone wants one – but only 1000 Amaze350 phones will be made!	I think the price of the new phone will increase quickly.	I think this because they sound very impressive, the supply is low, and demand will be very high as lots of people will want the new technology.	If another phone company released a phone that did the same thing, then the price of the Amaze350 would go down. Also, if more Amaze350s were made and more people could buy them, the price could go down too as supply of the Amaze350 would go up.
Chunky trainers are on the way out! Who would have thought? It's all about slippers now. All the top rap artists are sporting comfy tartan slip-ons.			
Fewer people are flying abroad for their holidays and are deciding to take 'staycations' in the UK. Rubi has opened up a new hotel in Brighton and the weather forecast is looking great for this summer.			
The hot summer has not been great for everyone. It came with flash floods and severe weather has damaged many farmers' crops. The popular soy bean crops have nearly all failed this year.			
Think up another situation, then swap so a friend can answer the questions:			