**Task 3: A question of supply and demand**

|  |  |  |  |
| --- | --- | --- | --- |
| 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:    |  |  |  |