Supply and Demand Performance Task

This assignment extends the Factors of Production Performance Task that asked you to outline the resources you would need to start a business. This performance task will ask you to consider how the laws of supply and demand will affect your business. It will also ask you to consider the market structure of the product your business will make.

**Required Elements** (Grade: C)

1. **Demand:** (20 points)
   - Create a demand schedule for your product
   - Graph the demand schedule for your product
   - List 3 factors affecting demand for your product

2. **Supply:** (20 points)
   - Create a supply schedule for your product
   - Graph the supply schedule for your product
   - List 3 factors affecting your business’ ability to supply the product

3. **Market Equilibrium:** (10 points)
   - Identify the market equilibrium price and quantity of your product

4. **Market Structures:** (20 points)
   - Identify the characteristics of the market for your product
     - Number of sellers in the market
     - Ability of sellers to control prices
     - Level of product differentiation
     - Barriers to entry into the market
   - Identify the structure of the market for your product

**Proficiency Elements** (Grade: B)

5. **Demand:** (3 points)
   - Give an example of a situation that would increase demand for your product.
   - Give an example of a situation that would decrease demand for your product.
   - For each situation, create a new demand schedule

6. **Supply:** (3 points)
   - Give an example of a situation that would increase the supply of your product.
   - Give an example of a situation that would decrease the supply of your product.
   - For each situation, create a new supply schedule

7. **Market Equilibrium:** (2 points)
   - Identify how each change in demand would affect your business.
   - Identify how each change in supply would affect your business.

8. **Market Structures:** (2 points)
   - Identify other competitors in the market for your product
   - Identify 3 ways you will compete with these competitors
Advanced Elements (Grade: A)

9. Demand: (1 point)
   - Identify the determinant in each situation you created to shift demand

10. Supply: (3 points)
   - Identify the determinant in each situation you created to shift supply
   - List the fixed costs and the variable costs of production for your business
   - Determine the total cost of production at market equilibrium

11. Market Equilibrium: (3 points)
   - Graph the changes in demand for your product
   - Graph the changes in supply for your product

12. Market Structures: (3 points)
   - Identify 3 ways you will differentiate your product

Total Grade: ______/100