

# THE MARKET ECONOMY

PRICES UP, PRICES DOWN ACTIVITY

Find out how different situations can affect how much stuff costs!



Will the price of cupcakes go UP or DOWN?



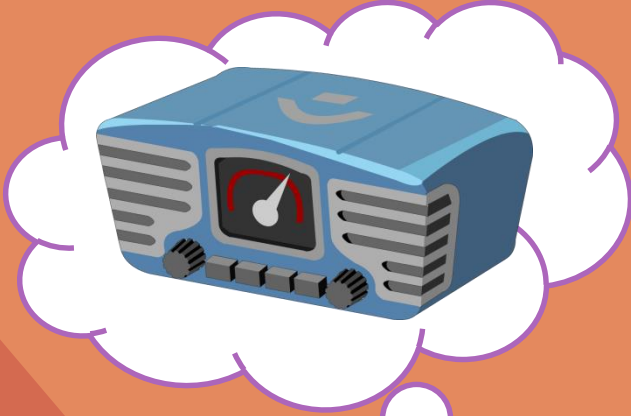
Producer says...



I manufacture the world's  
The best cupcakes and just go  
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theo stugar create wroolpe. N'dlw  
htaker to's raising the prices of  
sugar to cup cakes everyone's  
demands!

Will the price of radios go UP or DOWN?

Producer says...



It won't cost me as much to manufacture radios, so I'll just installed a new high-tech machine that lets me make twice as many more people will buy radios for half the cost! them (hopefully)!

Will the price of gasoline go UP or DOWN?



Producer says...



I own an oil refinery. I have to raise the price of gasoline to keep up with the ever increasing demand for oil. I can't raise the price if I don't raise the price. It's going to keep going to keep up!

Will the price of rocks go UP or DOWN?

Producer says...



I sell landscape rocks. I just got a ton of rocks, but the price is going down. I don't want to sell them at a loss. What are you going to do with all these rocks??

Will the price of self-folding chairs be HIGH or LOW?

Producer says...



I'll have to charge a lot for this chair because it's the first one of its kind and it's expensive to make. But I can't charge too much because my competitors won't want to pay high prices.

Will the price of self-folding chairs go UP or DOWN?

Producer says...



Mass-producing these self-folding chairs are so popular, I decided to make some too. I can charge a lower price. My competition will have to lower her price too, or she'll go out of business!