

# Unit 2: How Markets Work

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## Journal 2/5

How much would you be willing to pay for an In-N-Out double-double meal if you could get one right this moment?

Mark on the chart how much you would pay?



Journal 2/7

Have you ever paid for something that most people would consider way too expensive for that item? Why did you?

Have you ever purchased something for well below its normal price? How did the price affect your decision?

Journal 2/12

What is a good or service that you consume where your demand for it is **elastic**?

Explain why using at least one of the **factors that influence demand**

Repeat for something where your demand is **inelastic**.

## Journal 2/14

Write down a product you recently purchased and the price you paid

1. What are some reasons you were willing to buy at that price?
2. What are some reasons the seller was willing to sell at that price?
3. Do you think you paid the “right” price? Why or why not?

Journal 2/19

Imagine that you have a business selling something.

You need to figure what price you should sell a new product at.

How would you decide what to price the item?

What information would you need?

Explain

# Journal 2/21

Suppose you want to start a new business. Review the scenarios, and decide under which conditions you would prefer to start your business.

Give at least two reasons to justify your selection

- Open a video game store in a small town that has many other successful video game stores
- Begin the first, and only, babysitting service in your neighborhood
- Start a music store in a small town that has only two other music stores
- Create a unique clothing line that targets teenagers

Journal 2/25

How does a monopoly affect the market they are in? Explain



Journal 2/27

What is an example of an externality of a market failure? Explain why the externality exists and the effects

(Choose an example of a market failure then give an example of an externality for that specific example)

# No Journal 3/1

- I was absent

Journal 3/5

What do you think the role of government should be when it comes to economics?

Explain the pros and cons of your response and use examples

## Journal 3/7

What is an economic concept we have covered so far that you are still unclear about or just want to know more about?

Write your response and then write the answer.  
(you may have to look it up on your own later)

Journal 3/11

Define the 3 tax structures and explain the rationale for each tax structure