YR 9/10 THE DEMAND FACTOR

Assessment task 2

2019

DEMAND AND SUPPLY

## Task Requirements

* As a group of 3, read the attached Article for your group and analyse it in terms of:
  + The factors of Demand
  + The factors of Supply
  + Government involvement
  + Explain the impacts of Government involvement on Producers, Consumers and the Government
  + What other options might be available to solve the problem other than what is mentioned in the article and what might the impacts be?

## Presentation Requirements

* As a group, select 1 article from those provided to present your analysis as a poster to be displayed in the classroom
* Each poster must contain:
  + The article
  + Clearly labelled analysis using the task requirement dot points
  + Demand and supply diagram/s

***Marking Criteria***

|  |  |  |
| --- | --- | --- |
| **Grade** | **Knowledge and Understanding** | **Skills** |
| **A** | Draws accurate and logical conclusions about Demand and Supply relevant to the article  Explains using reasons, details and correct terminology the impact on Government, Business and Consumers | Draws accurate and logical conclusions about how the Demand and Supply Curves shift and/or are affected  Generates a well thought out and viable solution to the problem taking into consideration multiple perspectives |
| **B** | Identifies patterns about the different factors of Demand and Supply to come to an overall conclusion relevant to the article  Explains in detail the impact on Government, Business and Consumers | Draws conclusions about how the Demand and Supply Curves shift and/or are affected  Generates a viable solution to the problem with reference to more than one perspective |
| **C** | Shows how the factors of Demand and Supply relate to the article  Explains with reasons, the impact on Government, Business and Consumers | Can draw the Demand and Supply Curve indicating what happens  Generates a solution to the problem with reference to more than one perspective |
| **D** | Identifies factors of Demand or Supply  Makes a general statement about what impacts are | Can draw a Demand and Supply Curve  Generates a solution with only one perspective taken into account |
| **E** | Recognises a factor of Demand or Supply  Names the main points they want to explain | Can recognise a Demand and Supply curve  Attempts to generate a solution |

**Article 1**

# Record bacon, beef mince prices drive up overall food price increase

Bacon and beef mince prices rose to record levels last month, helping drive an overall increase in food prices. Statistics New Zealand said today bacon was up 11 per cent in August to $12.96 for 700 grams.

Consumer prices manager Sarah Johnson said it was due to a worldwide shortage of pork following an outbreak of African swine fever. “We import a lot of our bacon, so prices are very dependent on the global market,” Ms Johnson said.

Beef mince also reached a record high average price of $16.21, compared with $15.39 in July and $14.35 in August last year. “Increased demand from China has pushed up prices for New Zealand beef,” Mrs Johnson said. “When prices rise overseas, we often see it reflected on the shelf here, too.”

Fruit and vegetable prices have also pushed food prices up. Tomato prices rose to nearly $10 per kilogram in August, jumping over $3 per kilogram in price - up by 51 per cent from July. One kilogram of tomatoes was $9.96 last month, compared with $6.59 in July. It is thought that the recent challenge on Masterchef has also lead to an increase in price.

Ms Johnson said it was typical for August which was the most expensive time of the year to buy tomatoes because they’re out of season. The cheapest time of year to buy tomatoes is typically mid-summer when they sell for less than $3 per kilogram. Meanwhile, strawberry prices fell 23 per cent and nectarines were down 13 per cent. Food prices rose 2.1 per cent this year due to increases in meat, poultry and fish prices.

The government has suggested providing subsidies to producers to try and reduce the cost, but are undecided on the measure.

**Article 2**

# Prices of bananas fall after crops recover from

# Cyclone Yasi

BANANAS are down to under $5 per kilo for the first time since Cyclone Yasi wiped out crops in February. Prices for the tropical fruit soared up to $15/kg following the devastating storm that hit big banana towns in Queensland, including Innisfail and Tully.  
  
But some fruit markets around Sydney were this morning selling Tropicana Bananas for $4.99/kg.  
  
Workers at Supabarn Supermarket at Five Dock, in Sydney's inner-west, said the price was the lowest they've seen all year. “I don't even remember them being this cheap," one worker, Maria, said. "They are definitely on the way down now, every week the prices keep getting better and better."  
  
Banana grower Steve Lizzio's crops were destroyed when Yasi hit his Silkwood farm, leaving him with zero cash flow for more than six months.  
  
But his crop is now flourishing and distributing full pallets to Sydney again - just in time for Christmas.  
  
"While we are not yet in full supply, we are certainly back on track," he said. Banana prices are expected to drop further, with the cost of the fruit expected to return to normal - about $2/kg - by December.

While it’s good for banana producers Australia wide, growers in Coffs Harbour are finding that their profits will now be lower.

A government spokesman, Elijah Walters indicated that the government had supported growers in Far North Queensland to help reduce their costs of production, and are pleased that they no longer need to support the industry.

**Article 3**

Petrol Prices Soar, thanks to Saudi Arabia

Australian household budgets are set for another hit after Saudi Arabia's new energy minister confirmed he would limit the kingdom's oil production amid uncertainty in the global energy markets.

Oil prices rose about 2 per cent today, following the announcement by Prince Abdulaziz bin Salman, son of Saudi King Salman and a long-time member of the Saudi delegation to the Organisation of the Petroleum Exporting Countries.

Rising costs of crude oil typically result in higher prices at the pump, with the effect usually felt by consumers six weeks after the initial oil hike.

Australian transports costs have already been on the rise this year, according to the Australian Automobile Association's (AAA). Typical Aussie households were spending between $530 and $574 a year more on transport than they were a year previously, double the rate of inflation in the last financial year.

Sydney was the most expensive city for transport in Australia, with Melbourne second.

Typical capital city households now spend almost 15 per cent of their total income on transport, researchers found. "Australians are feeling cost of living pressures across the board and rising transport costs are adding to the pressure on their household budgets," said AAA managing director Michael Bradley. "The cumulative effect of continued rises in transport costs is a heavy burden at a time when Australians are feeling cost-of-living pressures on many fronts."

Government body, the ACCC is monitoring prices to make sure consumers are not being ‘ripped off’. The government has indicated that they are considering options for how to support consumers. Coalition spokesman Billy Irish said “the most likely form of support is for us to lower taxes on fuel”.