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## Market Structures and Personal Finance || Market Structures

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### *Goals & Objectives*

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- Students will be able to identify four different types of market structures.
- Students will understand the differences between each type of market structure.
- Students will complete a grid detailing specific aspects of each market.

### *California State Content Standards*

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- 12.2.7. Analyze how domestic and international competition in a market economy affects goods and services produced and the quality, quantity, and price of those products.
- 12.2.8. Explain the role of profit as the incentive to entrepreneurs in a market economy.
- 12.2.9. Describe the functions of the financial markets.

### *Common Core Literacy Standards*

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#### [CCSS.ELA-Literacy.SL.11-12.2](#)

Integrate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, orally) in order to make informed decisions and solve problems, evaluating the credibility and accuracy of each source and noting any discrepancies among the data.

#### [CCSS.ELA-Literacy.SL.11-12.5](#)

Make strategic use of digital media (e.g., textual, graphical, audio, visual, and interactive elements) in presentations to enhance understanding of findings, reasoning, and evidence and to add interest.

#### [CCSS.ELA-Literacy.W.11-12.3](#)

Write narratives to develop real or imagined experiences or events using effective technique, well-chosen details, and well-structured event sequences.

### *Driving Historical Question*

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How do different market structures play a role in the United States economy?

### *Lesson Introduction (Anticipatory Set) ||*

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Students will enter the classroom and prepare to write the daily objectives and vocabulary in their notebooks. Once the bell has rung, students will read along as the teacher explains each. After writing the objectives and vocabulary students will be asked what companies they believe are the largest. This will be conducted as a pair and then a whole class activity and students will explain why they feel these companies are among the largest in the United States. Their sharing time will only last 2 minutes. A PowerPoint discussing market structures and companies that control large portions of market power will follow this activity.

## Vocabulary (Content Language Development) ||

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Students will be introduced to vocabulary prior to actual content delivery. The teacher will define a second time prior to the reading. S/he will also define as the read is in progress. Students will be required to academically use these terms as they both read and write.

- Market Power
- Perfect Competition
- Monopolistic Competition
- Natural Monopoly
- Government Monopoly
- Oligopoly
- Monopoly
- Barriers
- Collusion
- Predatory Pricing
- Conglomerate

## Content Delivery (Method of Instruction) ||

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After the anticipatory set, students will listen to the first part of the “market structures” lecture. It will begin by discussing market power and various companies that enjoy a large share of market power. The teacher will preface the lesson by stating that there are 4 basic types of market structures. The teacher will then go over each giving some sort of visual to demonstrate the concept.

The first market structure the teacher will present is “perfect competition.” At this point, the teacher will pass out strawberry Jolly Ranchers. Every student will receive one. This will represent an industry is considered to be a perfectly competitive market. The teacher will set a “profit threshold” of .10 cents. The teacher will then go around asking how much each student is willing to sell his or her “strawberries.” By the end, students should sell for .10 cents. This will show that because there is competition and all are selling “like” products, they do not set prices, rather they are “price takers.”

After that demonstration, the teacher will redirect attention to the PowerPoint. Students will then learn about monopolistic competition. This will be followed by another demonstration. In this demonstration, 5 different students will receive different candy bars. A sixth student will be able to choose which candy bar they would like to “buy.” Once chosen, the student will be asked why they chose that one. After, it will be explained that each candy bar represented a good but all of them were alike. Since the student chose the one candy bar, and many others might choose the same, the price may rise. However, it will not be significant because there are multiple choices.

Next the teacher will explain oligopolies through PowerPoint. Once again there will be a visual demonstration. In this demonstration, the teacher will present an oligopoly simulation. This requires students to be in groups of three, turning their desks to face one another. In this simulation students will represent firms in an oligopoly. They will secretly set pricing of their firm. Once pricing has been established, they will see if they made a profit or lost money.

Finally, the teacher will explain monopolies using the PowerPoint. Just as the first three market structures, this will be followed by a visual representation. Once again, the

demonstration will be in a “musical chairs” format in which several students circle one chair. Once the music stops one student will attempt to sit in the chair. As will be discussed, the barriers to entry are significant and there is one entity that leads the market. This will be followed by the information remaining on the PowerPoint before conducting the closure.

### Student Engagement (Critical Thinking & Student Activities) ||

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After the students write the goals and objective for the day’s lesson, the students will focus on the teacher’s PowerPoint directed lesson. During this lecture students will take guided notes about market structures.

Students will participate in the lecture at different points. The first is when the teacher is discussing perfect competition. In this activity, students will all receive one specific type of candy that is identical to one another. They will then try to sell their candy for “money” while at the same time making a profit. The teacher will conduct the activity in such a way that the price will be driven down and students will see that the consumers, not the sellers set the price.

Next, the students will participate in an oligopoly simulation. They will listen and follow along on a handout as the teacher explains the rules. Once students have an understanding of the activity, they will get in groups of three. Finally, students will participate in a round of musical chairs. This will demonstrate a monopoly. It will require three students trying to sit in only one seat. This will demonstrate how hard it is to break into a monopoly and how there is only room for one entity. This will be followed by the remaining part of the lecture and an introduction of a formal assessment before they participate in the closing activity.

### Lesson Closure ||

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This activity requires students to imagine a world where there are only monopolies and oligopolies. They will be instructed to conduct a Quick Write. This activity will be completed on a blank piece of paper and must be completed individually. They will be given about 7 – minutes to complete this assignment and it will be collected at the end of the period for teacher assessment. This will be a progress monitoring assessment and will not be graded.

### Assessments (Formative & Summative)

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Students will be assessed multiple times. The first assessment is a formative assessment. This will be conducted after the activity when they attempt to identify name brands. After they do this activity, they will attempt to place them in a market structure without any prior knowledge. This will tell the teacher how much exposure students have had with business structures. The next assessments are used through content discussion. This will be peer-to-peer as well as student-to-class. In this way, the teacher will be able to visit students while walking around the class as well assess the class as a whole. Finally, students will conduct and then turn in a Quick Write. This lesson will follow by a summative assessment that is conducted after subsequent lessons.

## Accommodations for English Learners, Striving Readers and Students with Special Needs

This lesson plan accommodates for many different student needs as well as learning styles. During the anticipatory activity students are given the opportunity to collaborate with one another to come to conclusions. This allows struggling students to work with stronger students and allows EL to integrate content vocabulary into their informal academic conversations. Other accommodations include use of visuals, paired notes and PowerPoint, visual representations, and differentiated instruction.

## Resources (Books, Websites, Handouts, Materials)

- PowerPoint: "Market Structures"
- Shell: "Market Structures"
- Quick Review: "Market Structures"
- Handout: "Website Instructions"
- Handout: "Website Layout"
- Handout: "Blank Template"
- Handout: "Student Sample"
- Strawberry Jolly Ranchers
- Chocolate
- Desks
- Pen/Pencil
- Paper