

JC BUSINESS



HUB

TEACHER PLAYBOOK



Learning Outcome 3.3

3.3 Evaluate how changes in the supply and demand of goods and services in different markets can affect prices

Summary of Qs asked 2019-2025 on Learning Outcome 3.3

2019 (i-iii)	Indicate the supply/demand or equilibrium price/quantity from a graph	Reading Market Equilibrium graph	9m
2019 (iv)	How a factor increases/decreases demand	Demand / Supply factors	12m
2022 (i)	Draw a demand and supply curve	Drawing Market Equilibrium graph	12m
2022 (ii)	Indicate the equilibrium price/quantity from a graph	Reading Market Equilibrium graph	5m
2022 (iii)	Identify a substitute or complement for a good or service	Substitutes / Complements	8m
2023 (i)	Indicate the supply, demand, equilibrium price/quantity from a graph	Reading Market Equilibrium graph	9m
2023 (ii)	Explanation of a substitute good, with example	Substitutes / Complements	4m
2023 (iii)	Impact of change in demand / supply on the market price	Price changes from D/S change	5m
2023 (iv)	How a factor increases/decreases supply	Demand / Supply factors	9m
2024 (i)	Draw a demand and supply curve, title, label axes	Drawing Market Equilibrium graph	15m
2024 (ii)	Indicate the equilibrium price/quantity from a graph	Reading Market Equilibrium graph	6m
2025 S.Q.	How a factor increases/decreases demand (Explain two factors)	Demand / Supply factors	6m

Key skills required so far answering the JC Exam:

1. Know/identify substitutes vs complimentary goods, with examples
2. Understand/explain factors that increase/decrease demand/supply
3. Identify prices and quantities from a demand and supply curve graph
4. Draw/label a demand and supply curve graph
5. Explain how increases/decreases in demand or supply impact on market prices



Page 1 / Class Activity 29.1 – Primer Questions

Key ideas -> introducing the concepts of markets being made up of buyers and sellers, scarcity, demand, supply, substitute goods, market prices changing due to demand and supply changes.

1. Why would so many people be desperate to buy these trainers?

- Limited supply creates **scarcity** and a **social media hype**
- Popular brand with strong **brand loyalty**
- Fear of missing out
- Potential to **resell for profit**

2. Why would Adidas only make 500 pairs if they know 50,000 people want them?

- Creates **exclusivity** and hype around the **brand**
- **Encourages urgency** to buy/visit the site regularly not to miss new drops
- Keeps demand high for **future releases**

3. What happens to the price people are willing to pay on the resale Depop if:**(a) Adidas announce they are going to releases 5,000 more pairs of the trainers?.**

Supply increases, scarcity is reduced, resale prices would fall

(b) Nike drops a trainer that looks almost identical but is €100 cheaper

A **substitute good** [flag this term] is available, lowers demand for Adidas, resale prices may decrease.

(c) A famous influencer posts about how cool the trainer is on their social media

More people want the product due to endorsement/trend making it more desirable, increase in resale price

4. Can you think of anything else where thousands of people are fighting a scarcity of items?

World cup tickets, concerts, iPhone releases, games consoles releases...



Page 3 / Class Activity 29.2 – Reading Demand from a Diagram

Key ideas → Law of demand. Reading price and quantity from axes.

1. Quantity demanded at €4
 - Across from €4 → curve → down (40 cakes)
2. Price at 100 cakes
 - Up from 100 → curve → across (€1)
3. Relationship
 - Price up → quantity down

Exam Tip → Encourage “across then down / up then across”.

Activity Book → Q4–Q5

Page 6 / Class Activity 29.3 – Substitutes and Complements

Key ideas → Replacement goods (Subs). Goods used together (Complementary).

McDonalds examples

- Sprite → Substitute
 - Milkshake → Substitute
 - Chips → Complementary
 - Big Mac → Complementary
1. Pairs
 - Coke/Pepsi → Substitute
 - Cereal/Milk → Complementary
 - Phone/App → Complementary

Exam Tip → Push for examples with reasons/explanations, encourage a two pronged answering approach.

Activity Book → Q7–Q12



Page 8 / Class Activity 29.4 – Factors Affecting Demand

Key ideas → Income. Substitutes. Complements. Fashion. Publicity.

Mooju scenarios

- Yazoo cheaper → Decrease (substitute)
- TikTok trend → Increase (fashion/trend)
- Health report → Decrease (preferences/change in taste/customer behaviour)
- Higher income → Increase (greater ability to buy goods like Mooju)

Other demand factors

- Dearer substitutes
- Cheaper complements
- Strong advertising campaign
- Population increase
- Study showing it's great for muscle repair after exercise

Exam Tip → Insist on “Factor + Explanation” structure in written answers.

Activity Book → Q13–Q16

Page 10 / Class Activity 29.5 – Reading Supply from a Diagram

Key ideas → Law of supply. Positive relationship. Reading axes.

Quantity supplied at €4

- Across → curve → down (80 units)

Price at 100 supplied

- Up → curve → across (€5)

Relationship

- Price up → supply up

Exam Tip → Remind students: supply responds to selling price, not cost.

Also push them to say “units” for any quantity on any graph.

Activity Book → Q19



Page 12 / Class Activity 29.6 – Factors Affecting Supply

Key ideas → Costs. VAT. Technology. Price. Disruption.

Tasty Choc Bars

1. Price rises → Increase (higher profit per unit encourages production)
2. Costs rise → Decrease (lower profit per unit reduces output)
3. VAT cut → Increase (firms keep more revenue for every good sold)
4. New machines → Increase (faster, more efficient production)
5. Strike → Decrease (production temporarily stops)

iPhone scenarios

- Chips dearer → Decrease (higher production costs)
- Faster tech → Increase (improved efficiency and output)
- Factory fire → Decrease (disruption to production)
- Price rises → Increase (greater incentive to supply)

2. Reduction in VAT or government taxes → Firms keep more profit per unit, encouraging higher production.

Improved access to raw materials and components → Easier sourcing of parts allows factories to produce more units.

Activity Book → Q20–Q23



Page 18 / Class Activity 29.7 – Demand, Supply and Prices

Key ideas → Shortages and surpluses. Scarcity and availability. Price adjustment in markets.

Housing market example

- Recession → factors causes demand to fall → prices fall
- Recovery/growth → factors causes demand to rise → prices rise

Tie in how disposable income / certainty or expectations about the future can impact demand.

Extra concert dates announced

- Supply increases, causing a surplus / reducing scarcity, so market prices fall

Social media hype around event

Demand increases, scarcity increases as more buyers want tickets, so demand grows greater than supply, so market prices rise

General rule

- Shortage → price rises
- Surplus → price falls

Exam Tip → Train students to show the full chain: change → shortage/surplus → price, not just “up/down”.

