

Supplemental Material for \$martPath Video: Scarcity Cat (Supply and Demand)



In the video Scarcity Cat (Supply and Demand), Scarcity Cat is losing customers to a competitor which has lowered its prices. Scarcity Cat learns what could happen to the sale of Limburger cheese if she drastically changes the price.

Scarcity is not being able to have all of the goods or services you want. **Supply** is the amount of goods and services available, and demand is how much people want a good or service. If demand is high, but supply is low, the price will increase. If demand is low, but supply is high, the price will go down.

Discussion Questions:

Who supplies Scarcity Cat with Limburger cheese?

A: Count Limburg.

What is scarcity?

A: Scarcity is when there is less of something than everyone wants.

What makes Count Limburg's cheese scarce?

A: It sits out in the sun for three months, which takes it longer to get to the store.



What happens when Scarcity Cat imagines setting the price of Limburger cheese to one penny per pound?

A: If the price is too low, too many skunks will buy it and she will run out. If demand is too high and supply is too low, that leads to scarcity.

What happens when Scarcity Cat sets the price at one million dollars per pound?

A: It costs too much and no one buys it. Demand is too low and supply is too high.

If Scarcity Cat gets the cheese for \$3 per pound and charges \$7 per pound, what is her profit per pound?

A: $\$7 - \$3 = \$4$ profit per pound

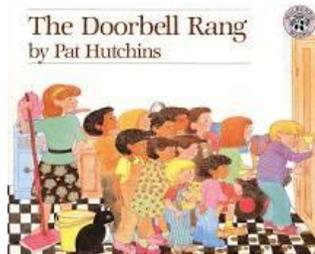
What does Scarcity Cat plan on doing with the profit she makes from selling Limburger cheese?

A: Pay her rent and buy rat traps.

Is Scarcity Cat successful when the cheese is priced at \$7 per pound?

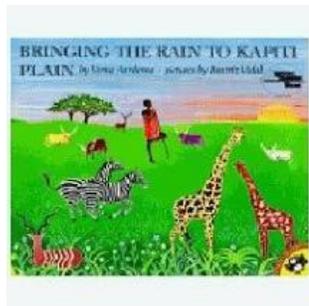
A: Yes, business is booming. Skunks are buying the cheese.

Additional Children's Literature Recommendations:



The Doorbell Rang by Pat Hutchins

- Teaches children about scarcity and short division



Bringing The Rain To Kapiti Plain by Verna Aardema

- Teaches children about scarcity and natural resources



Prices! Prices! Prices!: Why They Go Up and Down by David Adler

- Teaches children about supply and demand

