



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

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The Death of the VCR

Time Required

15-20 minutes

Grade Level and Subject

High School; Social Studies

Keystone Principles

Principle #9 – Prices Are Determined By the Market Forces of Supply and Demand

Economic Concepts

Competition - *Attempts by two or more individuals or organizations to acquire the same goods, services, or productive and financial resources. Consumers compete with other consumers for goods and services. Producers compete with other producers for sales to consumers.*

Demand - *The quantity of a good or service that buyers are willing and able to buy at all possible prices during a period of time.*

Incentives - *Any reward or benefit, such as money, advantage or good feeling, that motivates people to do something.*

Price - *The amount of money that people pay when they buy a good or service; the amount they receive when they sell a good or service.*

Supply - *The amount of a good or service that producers are willing and able to offer for sale at each possible price during a given period of time.*

Technological obsolescence – *a situation in which subsequent technological advances have rendered previous technology relatively less useful.*

Trade-offs - *The giving up of one benefit or advantage in order to gain another regarded as more favorable.*

Overview

Competition for newer and cheaper technologies is speeding up the cycles of supply and demand in the personal electronics arena. Students interact with these technologies daily and would benefit from understanding and analyzing the market forces involved.

Objectives

Students will understand that

1. changes in consumer tastes affect the demand for a product*
2. changes in technology affect the supply of a product.*

Students will be able to briefly explain the market forces that are driving the personal technology revolution.

Materials and Handouts

Student Handout – The Death of the VCR

Teaching Activity

1. Ask students why they think businesses like Blockbuster have stopped carrying VHS tapes. (*Replaced by DVD's*)
2. Have students fill in the handout “The Death of the VCR.”
3. Ask the students if they think DVD's will become obsolete. How long do they think it will take? What will replace them? If they were the owner of Blockbuster, where would they go with the business?
4. Have the students write a description of the progression of entertainment technology from VCR's to handheld sets.
5. Continue the discussion with the following questions:
 - What happens to the price and demand for new technologies after they are introduced? Does the first iPod sold cost the same as the millionth? Why?
 - Why do you think people continue to pay for the latest technology when what they have is still functional?
 - What are the trade-offs or non-monetary costs to society of a growing number of its members being wired with personal access to information and entertainment 24/7?

* NCEE Voluntary National Standards in Economics Content Standard 8, Grade 12 Benchmarks 1 and 2.

Student Name _____

The Death of the VCR

Describe the features of each of these technologies. Include things like ease of use and storage, recording time, access to material, extra features, etc.

WHAT CAN THEY DO?

| VCR | DVD | Various Handheld Sets |
|------------|------------|------------------------------|
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