

# YEAR 12 – Business

WEEK 8 (18<sup>th</sup> October to 22<sup>nd</sup> October)

Work Sent to the students through Google classroom/ whatsapp group/ email/ Zoom

Topic : Price Elasticity of Demand

Learning Objectives:

- Interpret the values of price elasticity
- Explore various factors that determine price elasticity of Demand
- Assess the importance of price elasticity for a business

Lesson Outcome:

- Analyse the determinants of PED
- Evaluate the usefulness of Price Elasticity of Demand for Producers for various decisions

<p>Wednesday 1<sup>st</sup></p> <p>2<sup>nd</sup> Period</p> <p>(Zoom)</p>	<p><i>(Zoom meeting details to be sent to students via Google classroom)</i></p> <p><b><u>Resources:-</u></b>Text book, PPT, Worksheet</p> <p><b><u>Teacher’s Activity</u></b></p> <p>Brief questioning based on a news headline ‘demand for instant coffee fell 5 % last year in UK’. What do you think would have caused this change/fall leading to a discussion on proportionate change in price not always lead to same proportionate change in demand? Further explanation on PED and calculation of PED.</p> <p><b><u>Student-led activity:</u></b></p> <p>Calculate &amp; interpretation of PED. Solve question 1. Identify the type of product based on PED.</p> <p><i>Discuss in pairs some examples of the ways in which multinational companies such as McDonald's, Microsoft, IKEA and Audi use PED in their businesses.</i></p> <p>Discuss why firms use peak and off-peak pricing strategies, such as airline tickets being far more expensive during school holidays. Is price discrimination is beneficial? Justify your argument.</p>
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