

Assessing Background Knowledge

Prices

Directions: How much do you know about the factors that cause price change? There are reasons that events, weather, politics, wars, and a host of other situations can affect the price of basic goods. Review the possible price changes for the goods that are listed in the box. Then read each event or situation listed in the left-hand column. In the right-hand column next to each event, write what effect you think that event or situation would have on the product's price. Some phrases may be used more than once.

oil price rises	oil price declines
agricultural prices rise	agricultural prices decline
copper price rises	copper price declines
fish price rises	fish price declines
electronics prices rise	electronics prices decline

Event or situation

Price change

A hurricane destroys many offshore oil rigs and on-shore refineries

Fish hatcheries produce many tons of once-scarce food fish

Electronics firms fix prices on their goods

Millions of people buy fuel-efficient cars

The government prosecutes electronics firms' price-fixing

A severe drought during growing season plagues the Midwest

Most copper mines are nearing depletion

Asian nations nearly wipe out certain fish stocks in the ocean

Wheat-growing regions get good rainfall during growing season

A growing world population demands more food than agriculture can provide

Huge new copper deposits are found
