

# ECON 103: Supply and Demand

Game Title: "Market Equilibrium: Differential Costs and Endowments"

April 26, 2023



# Game Overview

- ▶ Designed to teach students about supply and demand in a market
- ▶ Objective: Find the equilibrium price and quantity by adjusting buying and selling behavior, considering the costs and available money
- ▶ Two phases: buying phase and selling phase
- ▶ Buyers and sellers indicate how much of the product they are willing to buy/sell at the current price
- ▶ Total demand and total supply are calculated after both phases, and the price is adjusted for the next round
- ▶ Game ends when the total demand and total supply are equal at a particular price



# Game Rules

1. Each round of the game will consist of two phases: the buying phase and the selling phase.
2. The game begins with the host setting an initial price. During the buying phase, the buyers will indicate how much of the product they are willing to buy at the current price. They will do this by holding up a card with their unique identifier and the quantity they want to buy (e.g. "Buyer 5 - 3 units"). Buyers can only buy whole units of the product and must have enough money to pay for the product at the current price.
3. During the selling phase, the sellers will indicate how much of the product they are willing to sell at the current price. They will do this by holding up a card with their unique identifier and the quantity they want to sell (e.g. "Seller 12 - 5 units"). Sellers can only sell whole units of the product and must have enough money to cover their production or acquisition costs at the current price.



# Game Rules

1. After both phases are complete, calculate the total demand and total supply at the current price. If demand is greater than supply, the price should increase for the next round. If supply is greater than demand, the price should decrease for the next round. If supply and demand are equal, the price should stay the same for the next round.
2. Repeat the buying and selling phases for multiple rounds, adjusting the price after each round based on the results of the previous round. The game ends when the total demand and total supply are equal at a particular price.