

* Sam has been charging one hundred dollars for a popular electronic toy. He has recently discovered he has some of the last of these items available in the town. How might this affect the price Sam is charging?

Cause and Effect

A late frost kills many strawberry plants in Michigan.



_____ strawberries to _____



Price of Michigan strawberries _____



POSSIBLE EFFECT

Stores _____
strawberries from
other states.



POSSIBLE EFFECT

The price of
strawberries goes
_____ a little.

POSSIBLE EFFECT

People buy _____
strawberries.



POSSIBLE EFFECT

The _____
of strawberries goes
up and the price
goes down.

POSSIBLE EFFECT

People buy more

strawberries.



POSSIBLE EFFECT

The price of

strawberries goes
_____.

Gas wars erupt in Houston; \$2.08 a gallon

12:08 AM CDT on Wednesday, August 13, 2008

A pair of northwest Harris County gas stations launched a war on Tuesday afternoon. There was no collateral damage in the battle, just plenty of happy drivers who lined up their cars for hours on end as the price of gas dropped by more than a \$1 gallon in less than four hours.

The battle started when the Chevron station on FM 529 at North Eldridge started lowering its gas prices as part of its grand opening. What started out as \$3.50 a gallon at 5 a.m. on Tuesday quickly dropped to almost \$2 some 15 hours later.

Not to be outdone, the Shell station across the street answered the call and also started lowering the price of unleaded.

At 1:23 p.m., the price of a gallon of gas at the Chevron was \$3.05 while the Shell was selling fuel for \$2.99 a gallon.

The price war did not stop there as the price of a gallon of gas kept dropping hour by hour.

As of 5:50 p.m., the Chevron was selling gas for \$2.38 a gallon, but ran out of fuel. The store managers at Chevron said they had more gas being trucked in.

Meanwhile, the Shell was offering up gas at \$2.47 a gallon with its tanks full of fuel.

The long lines caused traffic headaches. Harris County deputies were called in to direct traffic. There were a few hot heads as well as those waiting in line displayed their frustration, hollering at those who cut in line.

By 8:30 p.m., the gas truck had arrived at the Chevron and the price war continued. Shell dropped its gas prices to \$2.29 a gallon while Chevron countered with gas for \$2.29 a gallon.

Just before 10 p.m. on Tuesday night the prices dropped to \$2.08 at the Chevron and at the Shell station the sign was blank as managers were trying to determine just how low prices would go.

The average price of gas in Houston is \$3.62 a gallon according to AAA.

* Why did gas station owners lower the price of gas? _____

* How did this affect the demand for gas? _____

* How did this affect the supply of gas? _____

* Why did the gas station owners keep lowering the price of gas? _____

Nintendo vs. Sony: Will Wii Shortages be PS3's Gain?

Analysts Says Shoppers May Turn to PS3, Xbox 360 for Gaming Fix

By ASHLEY PHILLIPS

Nov. 20, 2007

As the holiday shopping season heats up this week, the hopes of many video-game-greedy kids may be dashed as shortages of Nintendo's Wii force parents to turn to other gaming consoles, such as the PlayStation 3 or the Xbox 360, to fill the gap, analysts say. Sony CEO Howard Stringer is counting on impatient consumers who won't be able to wait for their gaming fix. Along with the chronic shortage of its competitors' stock, the PlayStation 3's recent \$100 price cut has made Sony's console more competitive with the Wii, Stringer told The Associated Press last week.

Shortages of the Wii, Nintendo's latest video game juggernaut and currently the best-selling console in the nation, are nothing new. When the game debuted in 2006, many early adopters of the console were greeted with empty store shelves. This year, leadership at Nintendo, including Nintendo of America President Reggie Fils-Aime, has told reporters repeatedly that once again it's unlikely the company will be able to meet demand for the Wii this shopping season. The company has ramped up production to try to stem the shortfall, according to Perrin Kaplan, vice president of marketing and corporate affairs at Nintendo of America.

"Since [Fils-Aime] made that statement, we have raised our production yet again," Kaplan told ABCNEWS.com in a recent interview. "I've been at Nintendo a long time, and I have never seen us ramp our numbers up so many times, nor have we ever produced so much of any console. ... But the demand has just so far exceeded our expectations. It's fabulous. We want consumers to know that we're completely aware, love them for it."

Kaplan urged customers to wait for extra consoles to hit the retail shelves. Those who haven't been able to find it -- just hang in there. We're moving stuff into retail as fast as we can."

Most Will Decide to Buy Something.

Although analysts didn't predict what consumers would buy, they did say that parents who want to put a gaming console under the tree this holiday season will do so, whether it's a Wii, an Xbox 360 or a PS3.

"On one hand shortages create a certain amount of demand in and of itself. People are always wanting things that they can't get," said Michael Gartenberg, vice president and research director of Jupiter Research. "On the other hand, shortages create consumer frustration. The real question is how much will we see the Wii in demand. Will it be spot shortages? Ultimately, if you look hard enough, will you be able to find it? Or is it the type of shortage that will increase customer frustration?"

According to Gartenberg, this holiday season is an extremely important one for console sales. It's no longer the early adopters who are waiting all night in line for the Wii, the PS3 or the Xbox 360. The reviews are in, and now the regular consumers -- families, teens, kids -- will determine gaming companies' success or failure.

"The real question is what is the main consumer going to vote [for] with their wallet?" he said. "[But] Nintendo has won a lot of hearts and minds with what it has done with the Wii ."

Price Cuts and Sales Swings

With or without the Wii shortage, Sony's price cut will probably mean sales boost for the PS3 this season, said Anita Frasier, a research analyst who works in video games at the NPD Group.

"Our purchase intent studies do show that there are quite a number of consumers that are indeed price sensitive, and indicated they would wait for a price cut to make a purchase," Frasier said. "The combination of the price cut and entering the all-important holiday season should result in a substantial increase in sales of PS3 hardware."