

ACTIVITY: CLASS AUCTION

Name: _____

Economics**Hr:** ____**Step #1:** Listen to the directions presented by the teacher.

Step #2: Each person has a total of **\$2,000** to bid on the following items. Use the space provided at the bottom to keep track of how much total money you spend on successful bids as the auction proceeds. Remember to stop bidding when you have spent \$2,000. If you have **\$500** or more left at the end of the auction, you can purchase one of three secret boxes. Each secret box has an undisclosed future in it. Each of the three boxes may be purchased by as many people as have the money left to do so.

Item to be Auctioned	Proposed Bid	Actual Bid	Purchaser
1. To be a famous rock star.			
2. To never be sick.			
3. To be extremely smart.			
4. To be a famous sports star.			
5. To be beautiful.			
6. To be President of the USA.			
7. To have a great looking body.			
8. To be a famous model.			
9. To be a school teacher.			
10. To graduate from a famous college.			
11. To never have pimples.			
12. To help underprivileged children.			
13. To be a doctor.			
14. To be a successful politician.			
15. To raise happy children.			
16. To be a successful artist.			
17. To live a long life.			
18. To own whatever car I would like.			
19. To marry a good looking person.			
20. To have a successful business.			
21. To live in a mansion.			
22. To be liked by everyone.			
23. To be a famous movie star.			
24. To help the homeless problem.			
25. To have many close friends.			
26. To be happy in life.			
27. To be a millionaire.			
28. To help others.			
29. To travel around the world.			
30. To have a great relationship with my parents.			
Tally of items for which I've won the bid			

Economics studies the choices of people trying to satisfy their wants in a world of scarcity

Scarcity is the condition in which our wants are greater than our resources available to satisfy those wants.

An **incentive** is a cost or benefit that motivates or encourages a person to take action

Trade off is a situation in which more of one thing necessarily means less of something else.

Opportunity cost is the most highly valued opportunity or alternative forfeited when a choice is made.

Cost-benefit analysis is when you determine if the benefits are greater than the costs or vice versa

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Decision making/Goals

- 1.) What items sold for the lowest amount? Highest amount?
- 2.) Why did some items sell for more than others? Why do you think some items were more valuable than others?
- 3.) Why didn't everyone want the same items?
- 4.) What does this tell us about the values people place on different things in life?
- 5.) What were the items you really wanted to bid on, but didn't because you were afraid of what others would think about you?

Scarcity

- 6.) Did everyone receive all of their wants? Why not? (Scarcity/Limited Resources)
- 7.) What items on the list could actually be considered Scarce?
- 8.) What resources beyond money are needed to satisfy your wants?
- 9.) Did you find yourself becoming more competitive as the auction continued? Why or why not?

Opportunity Cost/Trade off

- 10.) What was the trade-off to spending a lot on one item?
- 11.) What do the boxes represent?

Overall

- 12.) Other than most/least valuable, identify **two** patterns or trends from the table. (A trend is a pattern that develops over time.)
 - a.
 - b.
- 13.) Propose a reason (hypothesis) for one of the trends or patterns you observed. Explain why you think people behaved the way they did.
- 14.) In the end, you either won an item, bought a box or both. Identify the opportunity cost (to you) of at least one of the choices you made.
- 15.) Analyze your own behavior and motivations during the auction. What was your strategy? Were you able to stick to it? What impact did the auctioneer have on your thinking or behavior? What impact did your classmates have on your thinking or behavior?