THE CHAIN

> *One idea must land: price isn't a sticker — it's a decision, made at every link, and remade every time demand moves.*

WE ARE LEARNING

The five supply-chain stages and the jobs at each — and how businesses set a price at every step, then adjust it when demand changes.

CURRICULUM · VERBATIM

"How businesses set prices for a product and how they might adjust the price according to changes in demand" — Revised WA Curriculum, Y7 Economics and Business (SCSA, implementation 2026).

SPARK — TEST YOUR GUESS

- **Hand back:** Lesson 1 exit tickets. **Show:** this lesson's hero image — the chain laid out as objects. Students score their guessed chains against the real five stages: Exploration · Extraction · Processing · Shipping · Manufacture.
- **Ask for hands:** who scored 5? Who missed a whole stage? (Processing and Shipping vanish most — the invisible middle is the point.)

CORE — FIVE STAGES, FIVE PAY PACKETS

- **Do:** deal the stage cards; each carries its costs and a real job spotlight. Read the jobs aloud around the room — exploration geologist to manufacturing engineer.
- **Teach the pricing rule once, plainly:** cover your costs, pay your people, keep a margin. Price = costs + margin. That's the whole engine; the workshop does the rest.

WORKSHOP — THE VALUE RUN + THE NEWS FLASHES

- **Run it:** teams of five (pairs share stages in bigger classes), one stage each. Stage 1 prices and sells to Stage 2; the ladder fills as value climbs to the consumer. Optional kinesthetic variant: pass an actual object (an ore sample, a pencil case — anything) down the line with each sale.
- **Flash 1 (read aloud):** "NEWS: electric vehicle sales have doubled — the world wants twice the batteries. Demand for your product has surged." Every stage repositions: up, down, hold — and defends it.
- **Flash 2 (read aloud):** "NEWS: a new battery chemistry needs half the lithium. Demand for your product has fallen sharply." Reprice again. Then the debrief question that lands the economics: *which stage felt it hardest?* (The mine gate — the chain's shock absorber. Keep it qualitative; the insight is enough.)

LAND IT — EXIT TICKET

- Five stages from memory; the descriptor in their own words; and the Lesson 3 seed — one budget, three demands, fund one. That seed IS opportunity cost; don't name it yet. Next lesson does.

THE MATHS, WORKED — SO YOU CAN SANITY-CHECK ANY TEAM IN SECONDS

STAGE	COSTS (SCENARIO DATA)	EXAMPLE WITH A 25% MARGIN, ROUNDED
Exploration	$20	sells at $25
Extraction	$40 + $25 paid = $65	sells at ≈ $81
Processing	$30 + $81 = $111	sells at ≈ $139
Shipping	$10 + $139 = $149	sells at ≈ $186
Manufacture	$60 + $186 = $246	consumer pays ≈ $308

Margins are each team's choice — the example is one path, not the answer. The wow moment: a $25 rock became a $300 product, and every dollar of the difference is somebody's costs, wages and margin. Scenario data for classroom use.

PROBING QUESTIONS

- “Why can't you just charge whatever you like?” (The next link can refuse — and consumers can walk.)
- “When demand doubled, who in your chain captured the most new value — and who just paid more?”
- “Which costs can a stage control — and which just arrive from the stage before?”
- “If you ran the whole chain yourself, which stage would you want to own — and why?” (Seeds Lesson 5's ownership question.)

DIFFERENTIATION

Support: fix every margin at 25% and give that team the worked column above — they focus on the flow, not the arithmetic. **Extend:** the margin war — what happens if Manufacture demands a 50% margin while Extraction takes 10%? Who has the power in this chain, and why?

RUNNING SHORT — THE CUT LINE

Run one news flash instead of two (keep Flash 1 — surging demand is the friendlier maths). Protect the guess-test, one full ladder, and the exit ticket's Lesson 3 seed.

MISCONCEPTIONS TO WATCH

“Price = what something is worth” (price is a decision, not a property) · “the mine sets the phone's price” (five decisions stack) · “demand up means everyone wins” (ask who pays the higher input prices).