Need a brief introduction of the story and then explain the key terms below in own words in continuous prose.

Step 1: keywords:

* **Demand Elasticity** - Price elasticity of demand (PED) is a measure used in economics to show the responsiveness, or [elasticity](http://en.wikipedia.org/wiki/Elasticity_%28economics%29), of the quantity demanded of a good or service to a change in its price. More precisely, it gives the percentage change in quantity demanded in response to a one percent change in price.
* **Inelastic -** An economic term used to describe the situation in which the supply and demand for a good or service are unaffected when the price of that good or service changes. Inelastic means that when the price goes up, consumers’ buying habits stay about the same, and when the price goes down, consumers’ buying habits also remain unchanged.
* **Consumer surplus -** A consumer surplus occurs when the consumer is willing to pay more for a given product than the current market price.
* **Complements –** two or more goods that tend to be used together. If two goods are complements, an increase in the price of one will lead to a decrease in the demand of the other.
* **Market dynamics -** Market dynamics describes the dynamic, or changing, price signals that result from the continual changes in both supply and demand of any particular product or group of products.
* **Secondary costs –** Secondary cost elements arise through the consumption of production factors that are provided internally.
* **Scarcity -** The basic economic problem that arises because people have unlimited wants but resources are limited.

Step 2: draw the diagrams:



I’ll understand that this exists and that it is accurate!

Step 3: fully explain the diagram:

You must have outlined the main points of the article at the beginningWhen demand is elastic, an increase in price causes a fall in total revenue, while a decrease in price causes a rise in total revenue. This is highlighted in diagram 1. The area of the rectangles represents the total revenue by multiplying price times quantity. (TR = PxQ). At P1 and Q1, total revenue is given by the sum of rectangles A and B. when the price increase to P2 and quantity drops to Q2, total revenue is given by the sum of rectangles A and C. This shows that total revenue was lost since the loss (B) is larger than the gain (C). When demand is inelastic, an increase in price causes a rise in total revenue, while a decrease in price causes a fall in total revenue. Since it is PED<1, the percentage change in quantity demand is smaller than the percentage change in price. The effect of the increase is larger than the effect of the decrease. With a price increase, total revenue gained (rectangle C) is larger than total revenue lost (rectangle B); therefore total revenue increase. If price falls, the gain in total revenue is smaller than the loss and therefore total revenue falls.

Step 4: Develop your explanation:

There is overwhelming evidence that sports teams set ticket prices in the inelastic range of spectator demand. It is a heavily debatable topic whether ticket prices are inelastic or not you seem to have contradicted yourself in the first two sentences of this paragraph. To work out the average ticket revenue you take the ticket sales and divide them by attendance (ticket sales/attendance). The super bowl, more so than other regular games, has a very large demand for tickets, due to the excitement and reputation of the event. NFL teams do in fact set ticket prices in the inelastic range. They do this to capture other attendance revenue such as concession and luxury box revenue. You need more economic analysis.

Step 5: Evaluate a Solution:

Both demand and desire are the factors that determine whether or not a fan wants to go to an American football game. Usually when the price of something drops people tend to buy more of it and the opposite is also true for almost all goods. When sports tickets raised sharply during the 1990s the attendance to American football games should have dropped. However they did not. The demand for tickets is too strong. This is due to the fact that the demand for the sport is inelastic. The reason why prices of tickets for the super bowl are so inelastic is because there isn’t really a substitute in the American football world. There are other sports that have an event on the same scale as this, however once a year, on the first Sunday of February the super bowl is held and it is an American phenomenon. There are too many diehard sports fans in America and they believe that tickets are essential, but in reality they aren’t this needs to have a stronger analytical focus think supply. Ultimately people see something unique about a ticket to the super bowl and in turn generates a strong demand and with willing supporters this will allow the NFL to raise prices for this event and generate more of a profit. A solution to this is to supply the fans with more. Supply directly affects demand. By supplying fans with more games there will be a less greater demand for those games during the course of a season as they will have more opportunities to see their team play. This will help to make demand elastic and at the same time could generate just as much profit for NFL teams in the long run. This will create an equilibrium leaving the suppliers satisfied with the quantity sold and the buyers happy with what they are getting.

I think that you need to go back to the chapter on elasticities of demand and supply and try to use more of the terminology in the textbook. Supply is vital to this issue, consider things like rationing how could this be achieved. Approach the human issues with a more economic mindset.

Portfolio (SL/HL) -

Criterion A: Diagrams

• This criterion assesses the extent to which the student is able to construct and use diagrams.

Level Descriptor

0 The work does not reach a standard described by the descriptors below.

1 Relevant diagram(s) are included but not explained, or the explanations are incorrect.

2 Relevant, accurate and correctly labelled diagram(s) are included, with a limited explanation.

3 Relevant, accurate and correctly labelled diagram(s) are included, with a full explanation.

Criterion B: Terminology

• This criterion assesses the extent to which the student uses appropriate economic terminology.

Level Descriptor

0 The work does not reach a standard described by the descriptors below.

1 Terminology relevant to the article is included in the commentary.

2 Terminology relevant to the article is used appropriately throughout the commentary.

Criterion C: Application

• This criterion assesses the extent to which the student recognizes, understands and applies economic information in the context of the article.

Level Descriptor

0 The work does not reach a standard described by the descriptors below.

1 Relevant economic concepts and/or theories are applied to the article.

2 Relevant economic concepts and/or theories are applied to the article appropriately throughout the commentary.

Criterion D: Analysis

• This criterion assesses the extent to which the student can explain and develop appropriate economic theories and/or concepts in the context of the article.

Level Descriptor

0 The work does not reach a standard described by the descriptors below.

1 There is limited economic analysis relating to the article.

2 There is appropriate economic analysis relating to the article.

3 There is effective economic analysis relating to the article.

Criterion E: Evaluation

• This criterion assesses the extent to which the student synthesizes his or her analysis in order to make judgments that are supported by reasoned arguments.

Level Descriptor

0 The work does not reach a standard described by the descriptors below.

1 Judgments are made that are unsupported, or supported, by incorrect reasoning.

2 Judgments are made that are supported by limited reasoning.

3 Judgments are made that are supported by appropriate reasoning.

4 Judgments are made that are supported by effective and balanced reasoning.

Criterion F: Rubric requirements

• This criterion assesses the extent to which the student meets the five rubric requirements for the

complete portfolio.

–– Each commentary does not exceed 750 words.

–– Each article is based on a different section of the syllabus.

–– Each article is taken from a different and appropriate source.

–– Each article was published no earlier than one year before the writing of the commentary.

–– The summary portfolio coversheet, three commentary coversheets and the article for each

commentary are included.

Level Descriptor

0 The work does not reach a standard described by the descriptors below.

1 Three rubric requirements are met.

2 Four rubric requirements are met.

3 All five rubric requirements are met.