

Name: _____

Lesson 13

Period: _____

What's in a Name?

Directions. Read the *Handy Dandy Guide* and the mystery. Read the clues. Be careful.

While all the clues are correct, only some are *useful* in solving the mystery. Decide which clues are most relevant to solving the mystery. Use the clues and one or more of the ideas from the *Handy Dandy Guide* to figure out a solution to the mystery. Write your solution.

Handy Dandy Guide

1. People *choose*.
2. People's choices involve *costs*.
3. People respond to *incentives* in predictable ways.
4. People create *economic systems* that influence individual choices and incentives.
5. People gain when they *trade* voluntarily.
6. People's choices have consequences that lie in the *future*.

The Mystery

Many consumers love to buy brand name products. They enjoy the quality of the products at the price they pay.

But wait a minute. Why buy Hallmark Cards, Ivory Soap, Coca Cola, or Wheaties? Consumer advocates tell us that many non-brand name products—such as store brands—are nearly identical to their brand name rivals and almost always cost much less.

Why don't cost conscious consumers ignore all the brand name hype and save money by buying the store brand?

The Clues

1. Brand name products often cost more because brand name producers spend so much money on advertising.
2. Store brand products are usually displayed in easy view for customers to find, just like the brand name products.
3. Brand name products are often endorsed by famous athletes or celebrities.
4. Experimenting with store brand products does cost consumers something.
5. Producers of brand name products take pride in delivering consistent, predictable quality.
6. Clever advertising of a brand name product can often attract a first-time buyer.
7. Some experiments by brand name producers fail. Remember the new Coke?
8. Reductions in tariffs have increased imports of no-name products.

Record your solution and explain it briefly here:
