**5.05 Student Worksheet**

**Henry Ford and the Model T: A Case Study in Productivity (Part 2 & Part3)**

**Have the students reflect on what they learned in Part 1, using the following discussion questions:**

1. What does “productivity” mean?
2. What was Henry Ford’s output?
3. How did Henry Ford's use of the moving assembly line increase productivity?

**Part 2**

**The Model T and Productivity**

Explain how each of the following changes in the production of the Model T helped Henry Ford increase productivity. **Frame your response in terms of reductions in input and increases in output**.

1. The standardization of parts

2. Expanding operation of the Highland Park Plant to 3 shifts a day

3. Offering the Model T in only one color

4. Instituting the $5 day

5. Establishing rules on worker gambling

6. Building a factory with windows that provided lots of natural

7. Designing a machine that makes a part faster than workers could make it by hand

8. Buying a rubber plantation

9. Buying ships

10. Operating an iron foundry next to the factory where vehicles are assembled

**Conclusion**

When the students have completed their worksheet analyzing how Henry Ford ' s changes influenced input and output, discuss some of their responses.

1. How did Ford’s methods reduce the inputs needed to produce Model Ts?
2. How did Ford's methods increase Model T output?
3. Why was Henry Ford able to pay higher wages to his workers?

**Part 3**



**Have students look at the demand curve that is shown on the handout**.

Ask:

1. When demand increases, what happens to the demand curve?
2. What happens to price?
3. What happens to the quantity of the good or service demanded?

Ask the students to imagine what would happen if demand decreased instead of increasing as pictured.

More specifically:

1. What would happen to the curve if demand decreased?
2. What would happen to the price of the good or service?
3. What would happen to the quantity purchased by consumers?

**Have the students look at the supply curve that is shown.**

Ask:

1. When supply increases, which way does the curve shift?
2. What happens to the price?
3. What happens to the quantity of the good or service supplied?

Ask the students to imagine what would happen if supply decreased instead of increasing.

More specifically:

1. What would happen to the curve if supply decreased?
2. What would happen to the price of the good or service?
3. What would happen to the quantity produced and sold?

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| **Model T Prices and Production \*** |
| **Price** | **Production** |
| $950 | 19,173 |
| 850 | 9,450 |
| 780 | 35,451 |
| 690 | 68,228 |
| 600 | 151,693 |
| 550 | 180,279 |
| 490 | 185,278 |
| \* Nominal Prices |

**Have the students plot the information on this chart to better visualize how price affects production**

**Conclusion**

Many people believe that Henry Ford invented the automobile. Others credit him with creating the assembly line. In fact, he did neither. Have the students answer the questions below in the interactive activity:

1. If this is the case, why is Henry Ford such an important figure in our history books?
2. How did workers benefit from the transition to mass production?
3. How did consumers benefit from mass production?
4. How did producers like Henry Ford benefit from mass production?
5. Are there any costs, or negatives, that come with mass production?