



Name: \_\_\_\_\_

Class: \_\_\_\_\_ Date: \_\_\_\_\_

## Cartel vs Healthy Competition

*An activity of "Japanese ice-cream makers plot... during hot summer"*

Customers benefit when businesses compete with each other. What happens when businesses decide to form cartels instead? To find out, read "Japanese ice-cream makers plot to raise prices during hot summer" (page 20, What's Up August 2026). Then, work in twos or three to answer these questions.

A. Use the *What's Up* story to answer the following questions.

1. Cartels are illegal. Explain what companies do when they act as a cartel.

\_\_\_\_\_

2. Why are cartels unfair to customers?

\_\_\_\_\_

\_\_\_\_\_

B. For each of these three situations, decide whether it is a cartel or a healthy competition among the businesses. Explain how this will affect customers in each case.

*(i) A shopping mall only has two bubble tea stalls. Stall A recently lowered its price to \$3.60 per cup and gained more customers. To compete, Stall B lowered its price to \$3.40. They then had a meeting and agreed to raise their prices to \$3.90 per cup at the same time.*

Is this a cartel or a healthy competition between the two stalls? \_\_\_\_\_

How will this affect customers who want to buy bubble tea in this shopping mall?

\_\_\_\_\_

*(ii) A shop lowered the price of its National Day T-shirts. A neighbouring shop saw the sale and quickly offered a 'Buy one get one free' promotion for its similar National Day T-shirts.*

Is this a cartel or a healthy competition between the two shops? \_\_\_\_\_

How will this affect customers who want to buy National Day T-shirts?

\_\_\_\_\_

*(iii) At a market, all the fish stallholders meet together and agree not to sell their fresh salmon for less than \$45 per kilogram even though the cost price of salmon has dropped recently. (The cost price is the price at which the salmon was bought by the stallholders from a wholesaler.)*

Is this a cartel or a healthy competition among the stalls? \_\_\_\_\_

How will this affect customers who want to buy fresh salmon at this market?

\_\_\_\_\_