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AUTHOR Williams, Elmer D., Ed.; And Others  
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ABSTRACT

This learning package presents 15 lessons on principles of economics for use by junior high school social studies classroom teachers as they develop economic education programs. The activities are keyed to the economic education color television/film program "Trade-Offs," (developed jointly in 1978 by the Agency for Instructional Television, the Canadian Foundation for Economic Education, and the Joint Council on Economic Education). Major objectives of the lessons are to give teachers a wider range of activities from which to choose, facilitate individualized and independent learning, provide experiential activities, and develop and reinforce economic vocabulary. Lesson topics focus on economic choice, factors involved in decision making, earning power, income, selling techniques, and costs and benefits. Activities involve students in class discussion, cutting out pictures and comparing prices of desired items from catalogues, creating charts and graphs, participating in simulation and other games, learning and vocabulary terms, filling-in blanks, solving word puzzles, making bulletin boards, and playing word games. For each lesson, information is presented on behavioral objectives, vocabulary, learning activities, follow-up activities, and a written and/or pictorial description of a learning center for individual and small group projects. (DB)

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CREATIVE ACTIVITIES IN ECONOMICS  
FOR MIDDLE SCHOOL STUDENTS\*

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

CENTER FOR ECONOMIC EDUCATION  
University of Georgia  
Athens, Georgia

Elmer D. Williams, Editor

with assistance from  
Nancy Boone  
Ouida Dickey  
Gwen Hutcheson  
Nanette McGee  
and  
Francis Rushing

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\*WITH SPECIAL APPLICATION TO TRADE-OFFS

50 012 138

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## INTRODUCTION

In the summer of 1978 economic education institutes for elementary and middle school teachers conducted at the University of Georgia and Berry College focused on the analysis and implementation of the new Trade-offs economics program. One component of the Trade-offs materials analyzed was the "A Guide to Trade-offs." Most teachers enrolled in the institutes were favorably impressed with this teacher's guide but decided that there was a need for additional student activities to

- a. give teachers a wider range of options from which to choose activities appropriate for their particular students.
- b. facilitate individualized and independent learning through such techniques as learning centers.
- c. provide experiential activities to introduce major concepts before Trade-offs lessons are viewed, and
- d. develop and reinforce economic vocabulary associated with the various lessons.

The teachers in these two institutes assumed the responsibility of devising learning experiences to meet the above named needs. Given the relative scarcity of materials for middle grade students the teachers also wanted their activities to "stand alone," that is, they wanted to develop activities which could also be used independently of the Trade-offs series. Thus, most of the activities presented here are concept-based rather than material-based. As these learning experiences are designed to introduce, reinforce and enrich basic economic concepts, many will be appropriate for general social studies instruction or for use with other economic education programs and materials. After an examination of these teaching suggestions, the teacher will realize that many of the activities can also be incorporated into social studies curricula based on commercial textbooks.

To facilitate use with the Trade-offs series, materials are organized to coincide with the economic concepts presented in the fifteen filmed programs. Lessons contain the following elements:

1. A delineation of the behavioral objectives for the lesson/concept as printed in the original Teacher's Guide (Agency for Instructional Television, Bloomington, Indiana, 1978). Teachers felt it would be convenient to have the student objectives listed separately with each lesson.

2. A listing of the most important economic vocabulary identified with the lessons/concepts and definitions for those terms.
3. Alternative initiatory learning activities. These activities are based on the assumption that it is more desirable to actively involve students when introducing a concept than to merely provide a verbal description of a concept or a lesson to be viewed.
4. Several follow-up activities. These activities can be used following the viewing of each Trade-offs lesson or in conjunction with other educational programs or materials.
5. For selected concepts/lessons, a written and/or pictorial description of a learning center which can be used to individualize and provide opportunities for learning in small group settings. Learning centers are aimed at developing student competence in independent study and learning. Activities in learning centers require less teacher guidance and encourage students to accept the responsibility of working and learning on their own.

A listing of other resource materials appropriate for Trade-offs and other middle school instruction on basic economic concepts is found at the end of this publication.

Funds for the development, printing and dissemination of these materials were provided by the Georgia Council on Economic Education. Many expenses of the teachers at the University of Georgia institute were financed through a grant from the National Science Foundation.

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UNIVERSITY OF GEORGIA  
CENTER FOR ECONOMIC EDUCATION

Robert Ables  
John Adams  
Georgia Bagby  
Paul Biron  
Wanda Blake  
Susan Blumenthal  
Betty Ann Brown  
Lon Burns, Jr.  
Evalena Cartledge  
Walker Cook, Jr.  
Wayne Cook  
Denton Dial  
Willie Edwards  
Juanita Floyd  
Sue Giuliani  
Marsha Goerss  
William Greene  
Willie Hill  
Ralph Hogan, Sr.  
Rube Howard  
Blanche Lumley  
Sherrie Malone  
Jackie Mann  
Pat Milhollen  
Gary Reynolds  
Cindy Thompson  
Randy Thompson  
Leonard Winters

BERRY COLLEGE  
CENTER FOR ECONOMIC EDUCATION

Rebecca Beckham  
Agnes Bowen  
Lynn Bradford  
Dave Brown  
Donna Collette  
Rita Elrod  
Anita Fountain  
Eddie Free  
Judy Fuqua  
Debbie Griffith  
Gay Harris  
Lynn Lackey  
Janie O'Shields  
Janice Pressley  
Susan Rowlls  
Kim Stanley  
Emerye Waits  
Laura Whatley  
Gloria Williams

## LESSON ONE

### "Choice"

OBJECTIVES: Students will be able to:

1. Identify possible alternative uses of a limited resource.
2. Explain why choice is inevitable when a limited resource has alternative uses.
3. Point out the opportunity cost of a personal choice.

### VOCABULARY:

1. Choice - The process by which people decide how to use the scarce resources available to them; the act of selecting from among alternative uses of a limited resource.
2. Opportunity cost - What must be given up when decisions are made to use scarce productive resources to produce particular goods or services; the foregone best alternative use of a resource once a decision has been made to use that resource in a particular way.
3. Resources - Anything which is useful and can satisfy a want; the input to production.

### PRE-VIEWING ACTIVITIES:

#### 1. Make Your Choice

Have the students cut pictures of two items that they want from a catalogue. Each of the items should cost less than \$10. After the students have chosen two items, have them choose the one item that they would enjoy most.

Discuss with the students that the item that they did not choose, but might have enjoyed, represents the opportunity cost of the item that they chose.

#### 2. Alternative Uses of a Resource (Taken from Workshop Leader's Manual, Joint Council on Economic Education, New York, New York, 1978, pp. 47-48.)

Divide the class into groups of four. Each group receives a 5" x 7" index card with the name of a resource

or picture depicting a resource on the card, a large sheet of chart paper and a marking pen. Be sure the examples used are of resources which have many alternate uses and represent different types of resources--natural, human, capital. Some examples might include:

8 Boy Scouts for 8 hours  
500 bricks

8 sheets of 4' x 7' plyboard

1 hour of time

50 empty tin cans

40 acres of land on the edge of a city

Explain that each group is to think of as many uses for the resource as possible within a five minute period. One person in the group will list all of the group's responses on the sheet of chart paper.

By group, the class examines and discusses each group's resource and uses for the resource. If the class suggests other uses for a resource, they may be added to the list but should be separated from the group's original responses. Tape each group's listing to the wall. Add the name of the resource if it is not already on the paper. (See Post-Viewing Activity 1 for a concluding part.)

### 3. What Should I Buy?

You have 25¢ left from your allowance to spend at the school store for supplies. Your math teacher says you must have a pencil for math class. You have a pencil, but it has no eraser. Your art teacher says you must have a ruler for art class today, or receive a failing grade.

The store is having a sale on University of Georgia posters marked down to 20¢. Plain pencils cost 5¢, while the special National Football League pencils are 10¢. Rulers cost 15¢.

1. What will you buy?
2. What choices do you have?
3. If you buy the poster and a pencil, what did you give up in making the choice you did?
4. If you buy the ruler and a plain pencil, what will you give up?

Conclude by introducing the term "opportunity cost."

### POST-VIEWING ACTIVITIES:

#### 1. Alternative Uses of a Resource (continued)

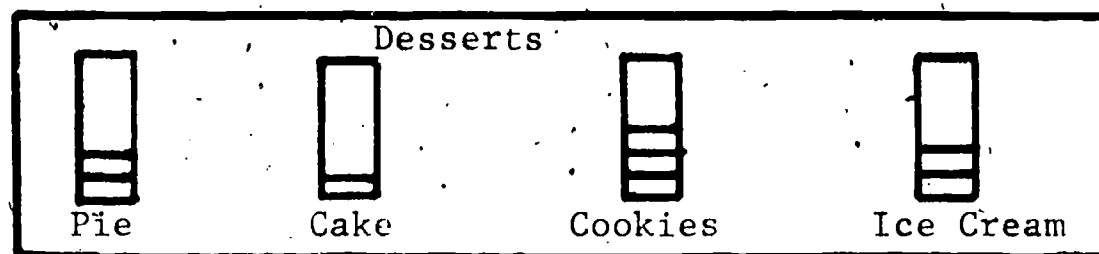
Each person now returns attention to the list of uses for the resource his group considered. From the original alternatives listed by the group, each group chooses the one thing they would most want produced with the resource. Ask:



1. What did you choose?
2. What do you give up if you use the resource for that purpose? Develop the concept of opportunity cost - "what was given up; the next best alternative (not all the alternatives) given up or foregone when a choice has been made to use a resource in a particular way."

## 2. Our Favorite Desserts

Prepare colored 1" squares of construction paper for each student (color-coded-1st choice = blue, 2nd choice - red, etc.) and a chart with the vertical column made of masking tape, sticky side out. (Chart of desserts, pets, etc.)



Then:

1. Demonstrate how the chart works by sticking a marker on one of the charts.
2. Select a chart and have students make first and second choices. Have them place their marker on the chart over the things they have chosen.
3. After the students have added their markers to the chart, ask them to make some general statements about what the chart shows, e.g., What item did most students choose? Give reasons. Did all children want the same thing? Why? Why did you choose what you did?
4. Conclude by clarifying how tastes or personal preference influence our choices.

## 3. Determining Opportunity Cost

Opportunity cost is what you must give up if you choose among two or more alternatives. Listed below are some "IFS" - write in the opportunity cost opposite the choices.

IF

THE OPPORTUNITY COST

1. You must go to training school to get a summer job which pays more. But to do so will mean you have to give up your weekend job now and lose \$18.50 a week for five weeks. You decide to take the training for a better job.

IF

THE OPPORTUNITY COST

2. You have \$8.50 you earned cutting grass. You have to choose between the following alternatives and have at least \$1.30 left for savings.
- |                         |        |
|-------------------------|--------|
| Go to a Saturday movie  | \$1.25 |
| Buy a compass           | 1.60   |
| Subscribe to a magazine | 4.40   |
| Buy a roll of film      | 2.20   |
- You decide to subscribe to the magazine and buy a compass.
3. You have three free afternoons this week. You should work the other two or lose \$4.25 a day cutting grass. Friday you are going to the game. You spend one afternoon cleaning your room, one afternoon practicing for the band performance, and one afternoon going to see Uncle Henry.
4. You have enough trading stamps to get a hunting knife with about one half book left over. You want to save another half book and get a catcher's mitt. You decide to wait and get more stamps in order to get the mitt.
5. You received \$10 for your birthday from your aunt. You have six items you wanted for your birthday.
- |                         |        |
|-------------------------|--------|
| A new printed Tee-shirt | \$3.10 |
| A new baseball          | 1.90   |
| A new skateboard        | 8.25   |
| A used skateboard       | 5.00   |
| A new game              | 1.70   |
- You decide to buy the new skateboard and a game.

2.

3.

4.

5.

10

4. The Big Buy (Adapted from Strategies for Teaching Economics - Primary Grades, Joint Council on Economic Education, New York, New York, 1978, p. 23)

In this game, students can shop at different stores and make decisions about whether or not to spend their "money," where and when to spend it, and what to buy.

Set up their "stores." Each store should sell a different category of item as follows: The \$1 Store sells goods. The \$2 Store sells higher priced goods, The Game Store offers the opportunity to play a game of skill.

Materials:

Simple items from home, such as: rubber bands, pencils, trading cards, old comic books, etc. These are to be sorted equally between the \$1 and \$2 Stores. A few items from \$1 Store should be placed in the Game Store to be used prizes. Have students prepare big signs to identify each store. Make play money or use bought "play" money, enough to give each student five \$1 bills. An alarm clock will also be needed to keep time.

Procedure:

1. Arrange a location for each store.
2. Ask for three volunteers to be STORE OWNERS who will then sell the goods or the chance to play the game.
3. Give each student five \$1 bills.
4. Tell the students they will have 10 minutes to "shop." They do not have to spend any or all of their money now; they may save some for later.
5. You may wish to allow 5 minutes after the 10 minute period for a "sale," at which time the shop owners will offer their goods at "2 for the price of 1."
6. At the conclusion of the activity, debrief by using the following questions:
  - \* Which store earned the most money? Why?
  - \* Which store was most popular? Why?
  - \* Why did some students spend all their money in the first 10 minute period, and others wait for the sale? Which was wiser? Why?
  - \* How did the students spend their time? Looking? Standing in line?
  - \* What was the opportunity cost of looking or standing in line?
  - \* Which students feel they were the best shoppers? Why?
  - \* What is the opportunity cost of buying 5 items for \$5 or playing 5 games?
  - \* Was there a risk involved in waiting for the 5 minute sale?
  - \* Could everyone buy everything he/she wanted and play the game too?
  - \* After making the decisions you made, what was your opportunity cost?

5. What Resources Are Used?

- |                 |                  |                 |
|-----------------|------------------|-----------------|
| A. fertilizer   | F. tractor       | K. blackboard   |
| B. pencil       | G. water         | L. labor force  |
| C. seeds        | H. money         | M. barn         |
| D. time         | I. student desks | N. seeds        |
| E. a dictionary | J. education     | O. fertile land |

1. The peanut farmer of South Georgia needs to produce more peanuts. Which of the above items would be resources for the farmer?
2. Your social studies teacher needs to provide a suitable environment for you to learn in. Which of the above would be resources for the teacher?
3. Could any of the resources listed above be used by both the teacher and the farmer?
4. Are any of the listed resources unlimited?

To further illustrate that different career positions utilize different resources, suggest that individuals or groups construct mobiles from coat hangers and pictures of resources pasted on construction paper. The mobiles should be organized in such a way as to depict the specific resources used in three or more careers. (Students may wish to work with careers in which they have a personal interest.)

6. Allocating Funds

You are a representative in the Georgia Legislature. Part of your responsibility is the allocation of funds to various government agencies. After the budget has been balanced, there is a surplus of \$12,000,000.

The State Department of Education wants enough money to supplement their kindergarten program plus give the state teachers a raise. This would amount to \$10,000,000.

The Cumberland Island authorities are asking for \$9,500,000 to continue work on one of the state's most beautiful wilderness regions and state parks.

State farmers want \$8,000,000 to help recover from this year's losses due to drought.

The State Correctional Authorities want \$11,000,000 to do necessary repairs on the state prisons.

- A. What would you do with the \$12,000,000?
- B. What was the opportunity cost of your decision?

LEARNING CENTER - LESSON 1

"Choice"

by

Rebecca Beckham  
Laura Whatley



This learning center provides initiatory and follow-up activities and games to introduce and reinforce the concepts wants, needs, choice and opportunity cost. It is designed for use with below-average ability level students.

Included in the introductory activities are "A Mountain of Wants," "Money Box," "A Present for Peter," "Want? Need?" gameboard, and "Cent Sense."

"A Mountain of Wants" is built by stacking "rocks" that have pictures of things the children would like on top of each other. The mountain is not big enough to show all of the wants of each student, so each must choose the two things he/she wants most and place them on the mountain. This activity then can lead into a discussion of why certain choices are made.

Later, prices are assigned to each "rock" on the mountain. The "Money Box" is full of play money that can buy these rocks. The students take turns drawing out pieces of money from the box, and deciding what they can "buy."

A puppet is easily used as a medium of instruction and source of stimulation. In "A Present for Peter," a puppet is used to help develop an awareness of the difference between "wants" and "needs." The students are asked to identify some things Peter might want. Then they are asked to name some things Peter would need in order to live. Students must decide which things they name are most important for Peter to have.

Wants and needs must also be differentiated on the gameboard, "Want? Need?." The players must decide correctly if the picture they land on is a want or need as they race around the board.

On the "Cent Sense" activity sheet ten pennies is the amount to be spent on four differently-priced items. Can each person buy everything he wants? Which items must he/she give up to get his/her first choice? Should he/she spend all of his/her money, or should he/she save some?

Follow-up activities include the story "The One and Only Cap," "This or That," and "Decisions."

In the story "The One and Only Cap," a young boy must decide whether to keep his favorite cap or trade it for a boy's jack knife, a princess's necklace, or the king's crown.

On the activity sheet "Decisions," the student is asked to choose one of two things and name the opportunity cost of his or her decision. In the activity "This or That," the student is put in a situation and given a choice of two or three things to solve the problem. Other class members then help students analyze their choices.

## LESSON TWO

### "Malcolm Decides"

OBJECTIVE: Students will be able to:

1. Apply the five-step decision-making process to a personal decision.
2. State the opportunity cost of the decision.

### VOCABULARY:

1. Decision - A judgment or conclusion of a problem situation; the making up of one's mind concerning a problem situation.
2. Alternatives - Different options or choices one has in a particular situation; choices of action.
3. Decision-making - The act or process of arriving at a solution to a problem, especially by giving judgment.
4. Criteria - Standards on which a judgment or decision may be based; reasons one uses to decide a certain alternative is best in a particular situation.
5. Problem - An unsettled question or situation.
6. Savings account - Money in a financial institution which need not be paid to the depositor without previous notice of a stipulated time period. Savings account deposits bear interest. (Also called time deposits.)
7. Interest - The price paid for the use of another person's loanable resources, generally money; a charge for borrowed money; money earned by loaning one's resources for a specified price.
8. Sales Tax - A payment made to government on the sales of goods or services at one or more points in the process of distribution.
9. Grid - A network or pattern of horizontal and vertical lines.
10. Evaluate - To examine and judge alternatives, using specified criteria; to assess or determine the value of something through careful study.
11. Warranty - A written guarantee of the soundness of a product and the maker's responsibility for the repair or replacement of defective parts.
12. Gift certificate - A paper or document of specified value which may be exchanged for goods or services at the business named on the document.

PRE-VIEWING ACTIVITIES:

1. Decisions! Decisions!

Give each student a sheet containing a decision chart and directions. Students complete chart and share.

Directions:

1. In column 1, list 3 situations in which you made a choice today.
2. In column 2, describe what choice you made.
3. In column 3, give reasons why you made that choice.
4. In column 4, tell whether you think you made the right choice or not.

SITUATION	CHOICE MADE	REASON	EVALUATION

2. Where Would I Go?

Ask the class, "If you won a contest for which the prize was an all expenses paid vacation for two weeks anywhere in the United States, where would you choose?"

After students write their choice at the top of a sheet of paper, ask them to try to identify three reasons they made that specific choice. In the class discussion of their choices and reasoning, emphasize how they most likely did not just select "any" vacation site, but selected a place which had characteristics or activities which they considered to be important. If students have a hard time verbalizing or writing the reasons for their choice, explain that lesson two, "Malcolm Decides," will help them learn to make decisions based on reasoning.



### 3. Analyzing Decisions

Have each student make a list of at least six decisions he or she has made in the last week on the left hand side of a sheet of paper. Then make three columns on the sheet and title the columns as illustrated below. For each listed decision, the student is to first decide whether he/she thought it was hard or easy to make the decision. In the third column, the student is to determine whether he/she made the decision alone or whether other people had an influence on the decision (e.g., parents, peers, school officials, etc.).

DECISION

EASY-HARD

ALONE-WITH HELP OF OTHERS

In the discussion and analysis of selected charts focus on the following questions:

- A. What makes a decision hard/easy to make?
- B. Why do other people often have an influence on our personal decisions?

#### POST-VIEWING ACTIVITIES:

##### 1. Situation Solutions

Students choose a card. They are to complete a decision-making grid by:

1. defining the problem
2. listing alternatives
3. stating criteria
4. evaluating alternatives
5. making a decision.

A discussion and sharing period is to follow the completion of the decision-making grids.

Example situation cards:

1. You are invited to two birthdays on the same day at the same time.
2. You tell your mother you would stay home and play with your brother. However, you get a chance to play ball and they (friends) need you to make a complete team.

3. You borrowed your friend's favorite record and broke it. You don't have any money.
4. You forgot to do your homework for tomorrow and it is past your bedtime. Your parents will not let you stay up past your bedtime.
5. You never seem to be able to get up in the morning and you're often late getting to school.

DECISION-MAKING GRID				
ALTERNATIVES	CRITERIA			

## 2. Game of Chance

Students need to identify risks which are a part of choice and decision-making and realize that personal values and individual differences contribute to decisions they make.

Students are given a gameboard and through discussion explain why a decision-maker would choose each alternative on the board. Using friends, parents, teachers, etc. as models, they try to determine choices each individual would make. This could be a written or oral assignment. Explanations of choices and reasons could be a written assignment.

Imagine you are given \$5 and invited to play a game of chance. You can play one time. If you lose, you will lose the \$5. Which would you choose? Why?

1.  
A chance of winning, 1 in 50. If you win you get \$500.

2.  
You decide not to play at all. You keep the \$5.

3.  
A chance of winning, 1 in 2. If you win, you get \$10.

4.  
A chance of winning, 1 in 5. If you win, you get \$25.

### 3. Risk-Taking

As with almost all parts of the decision-making process, values play an important role in risk-taking. A decision-maker is willing to take great risks if the outcome is valued highly enough. Can you think of examples of people who risked great personal losses to achieve something they believed in? Risk-taking is learned, just as values are learned. (Discuss individual values.) Every person develops his own risk-taking style. Every person is faced with many decisions every day. Some decisions are easier than others. On the board write the following:

NAME: Betty    AGE: 12    DECISIONS SHE HAS TO MAKE TODAY

1. What dress to wear.
2. What to eat for breakfast.
3. Whether to go to school.
4. Whether to lie to the teacher about her homework.
5. Whether to talk about her friend.
6. Whether to skip a class.
7. What to do after school.
8. (Have students fill in other possible decisions.)

After completing, talk about risks involved in each decision. Tie in values to decisions. As individual students identify risks connected with different alternatives possible for each decision, ask them if they would be willing to take those risks.

As a follow-up, have students record their decisions for one full day and categorize them as:

1. high risk
2. medium risk
3. low risk

### 4. What Does It Mean?

In small groups of two or three students each, have students discuss one of the following statements and determine what the statement means. In addition, the group is to identify and describe a situation to illustrate the statement.

- A. "I just can't get started; I don't know which end is up."
- B. "The future's not mine to see. What will be, will be."
- C. "Let me weigh the pros and cons."
- D. "Don't think about it. Just do it."
- E. "If it feels right, just do it."
- F. "I'll cross that bridge when I get to it."
- G. "Anything you decide will be all right with me."
- H. "Flip a coin."
- I. "It's a chance you have to take."
- J. "Don't worry about it, just do it!"

## 5. Thinking Into the Future

Have students think about a choice they have to make during the week or in the very near future. Record a few selected responses on the chalkboard.

Then ask each student to respond on a piece of paper to the following question:

What are the three most important decisions you think you will make in your lifetime?

Tabulate responses on the chalkboard and encourage students to categorize like responses by asking the question, "Which of these decisions could we group together because they are alike in some way?" As each group is formed, ask, "Why did you put those decisions in the same group?"

Conclude by asking, "Do you think it is important to think about your future decisions? Why or why not?"

## 6. "Is It . . . ?" (Adapted from Strategies for Teaching Economics-Primary Grades, Joint Council on Economic Education, New York, New York, 1978, pp. 19-20.)

An individual's tastes and the price of a good are two of the major factors that a person considers in deciding what to purchase. This activity reinforces the idea that people choose different alternatives because of individual differences in taste or preference.

To begin the activity the teacher presents a handout or chalkboard listing of many goods and services desired by people. In composing the list include a broad array of items appealing to a variety of people.

The teacher, or a student, then secretly selects one of the items from the list. Students try to determine which item has been selected by asking questions which can be answered by a "yes" or "no" response. The students can only ask one, "Is it . . . ?" question (i.e., "Is it a go-cart?") They must ask other types of questions until they know for sure what the item is. Then they can ask the "Is it . . . ?" question. The number of questions or a time limit can be placed on each item selected for questioning. Important: To focus on individual tastes or preferences only questions that make reference to taste (e.g. "Is it something elderly people would want?" "Is it something an athletic person would want?") may be used.

## LESSON THREE

### "We Decide"

OBJECTIVES: Students will be able to:

1. Suggest alternative methods of allocating a scarce resource.
2. Identify the criteria implied in each allocating method.
3. Analyze the advantages and disadvantages of each method in terms of who gains and who loses.
4. Apply the decision-making process to the allocation of a scarce resource.

### VOCABULARY:

1. Freedom - The ability to act without any constraints from others; an absence of necessity, force or constraint in one's choice or action.
2. Budget - A financial plan for a given period of time; a plan for the coordination of resources and expenses.
3. Rent - A payment for the use of property by others.
4. Proposal - Something suggested; something offered for consideration; plan; scheme.
5. Efficiency - Getting the most out of available resources; productivity with the least amount of waste possible.
6. Value - Worth or importance; a value is a deeply held feeling or ideal which may guide a person's actions.
7. Analysis - Examination; investigating a problem by breaking it down into parts which can be studied more easily than the problem in its whole.
8. Allocate - To allot or apportion for a specific purpose or to particular persons or things; to distribute.
9. Social decision - A decision in which more than one person is involved, each bringing his or her values to bear on the problem or situation.
10. Majority - The greater number or part, a number greater than half of a total.
11. Equality - Sameness of number, size or value; state of being equal or the same.

## PRE-VIEWING ACTIVITIES:

### 1. Who Shall Perform?

Divide the class into four or five committees. Ask the students to pretend they are the school's Spring Celebration Committee. They must (each committee) decide from the packets of celebrities which you will hand out on one particular celebrity to perform at the school's Spring Celebration. (Cover pages from "teen" magazines picturing popular performers can be used to make up the packets. Each packet should contain 3-5 performers.) Set a five minute time limit but do not inform the committees of this time limit. After time has expired ask how many committees have chosen a celebrity. How did they choose? Be sure to point out examples of alternatives and criteria in their responses. What problems did the committee have? Was the entire committee happy with the choice? If a committee didn't reach a decision ask them why. Was it harder or easier to reach a decision knowing it would effect people who had no part in making that choice? Why? Explain that a person's values (give definition) influence their decision making. When several people must reach a social or group decision, values sometimes become important criteria. Have the class view lesson 3 and watch social decision-making in action.

### 2. Allocation Decisions

Ask students if they know of any resources in their community that are limited; that is, there is not enough of it available for everyone who wants to use it (e.g., parking spaces at the community center or in the downtown business area. Everyone wants to park close, but there are not enough spaces). Discuss how the students think the community decides how this resource is allocated. (Adapted from "A Guide to Trade-Offs," p. 12.)

### 3. What Will It Be?

Divide the class into five or six groups with approximately five students in each group. Give each group a packet containing snack samples. Explain to the students that their group must decide on one particular item from the packet for each member of the group to receive. For example - if group one picks bubble gum each member of the group would receive a package of bubble gum. Allow the students to use whatever method they choose to decide. Set a five minute time limit but do not inform the students of this time limit. After

time has expired ask how many groups made a choice. Ask several groups who reached decisions how they did it. What problems did they encounter? Be sure to point out examples of alternatives and criteria. Was everyone happy with the choice? Could the decision-making grid Malcolm used to make his decision have been used here too? Ask the groups who did not reach a decision what problems they encountered. Why couldn't they decide? Would it be easier or harder to reach a decision if the groups were larger? Smaller? Be sure to point out to the class that values (give definition) influence what snack one might want. Explain that when several people must reach a decision together it is called a social decision. Now ask the class to view lesson three to see how a larger group goes about solving a problem.

POST-VIEWING ACTIVITIES:

1. Opportunity Costs of Group Decisions

"We Decide" differs from the first film "Choice" because it involves more than one person's decision.

These are some choices that could have been made in this film. Give a possible opportunity cost for each decision.

IF. . .	THEN. . .
1. If the students take turns. . .	then. . .
2. If they hold a drawing. . .	then. . .
3. If they let those who have used it the longest use the racks. . .	then. . .
4. If only those who live farthest from school use the racks. . .	then. . .
5. If they do nothing. . .	then. . .
6. If. . . . .	then. . .

## 2. We Choose A Home

The goal of this activity is, working together, to choose a home for a make-believe family. The home should meet their needs as closely as possible.

For this activity you will need: at least 3 persons, (limit 5), pack of families cards, decision-making grid sheets, maps, pencils, and want-ads section of the newspaper.

### Directions:

1. Choose a card from the families pack. Have someone read the card aloud.
2. Now go through the want-ads and find at least 3 possible homes for your family. You may mark on the newspaper. It might be helpful to use the map to locate the homes, and later to establish criteria.
3. Now, have someone in the group write down your group's alternatives. Now establish your criteria and write them down on the grid sheet. Now use the evaluation process of weighing the alternatives and criteria to choose one home for your family.
4. Quietly discuss why your group chose the home it did. Write a short paragraph on the back of the grid sheet telling why your group chose the home it did. Drop the sheet into the evaluation box. Make sure everyone's name is on the grid sheet. Return all materials to their proper place.

(You can obtain a map of your city and county from the chamber of commerce. Even though this activity calls for a group, one student could work alone. The grid sheet when completed and the center evaluation form should be used by the teacher to evaluate the student's progress.)

### Cards for Families Pack

There are four members of the Watkins family.- Mom, Dad, June (13), and David (15). Mom enjoys city living, but Dad would rather live in less cramped quarters so he can do a little gardening. June is a member of the ice skating team and hopes they can find a home within walking distance of the rink. David plays football and practices each day after school. This is a two car family. They would like at least 3 bedrooms. Do not spend over \$65,000.



Cards For Families Pack (continued)

The Jones family has five members - Mom, Dad, James (2), Ruth (6), and Celest (9). Mom and Dad both prefer city living. They want a home close enough to a school for Celest to walk. She is in the fourth grade. They would prefer a house on a street without a lot of traffic. They feel they must have at least 3 bedrooms, hopefully 4. Do not spend over \$55,000.

The Parks family has three members - Mom and two daughters - Jane (14), and Lisa (16). Mom works each day until six. Jana and Lisa are in the band and usually have practice every day until five. It would be nice, but not necessary, if their new home was within walking distance of the high school. They would like 3 bedrooms but accept the fact they might have to settle for 2 bedrooms. Do not spend over \$35,000.

The Harper family has five members - Mom, Dad, Jay (11), Linda (15), and Austin (19). The Harpers love animals and would like a small farm in the country. The farm must have at least a 3 bedroom home; however, 4 would be much better. It would be nice if the farm had a pond, as every member of the family enjoys fishing. Even though the Harpers are moving to the country, they still hope to be within 20 minutes of town. Do not spend over \$175,000.

The Kellers are newlyweds. They would like a small home in town. They would prefer an older home that has been remodeled. Jack is very good at carpentry and could do some repair work. Teresa would like a large lawn. She enjoys growing flowers. The Kellers would like to have enough room in their house for an art studio. Both Teresa and Jack love to paint. Two bedrooms are preferred. Do not spend over \$40,000.

### 3. Pick A Gift

The goal of this activity is for your group, working together, to choose a gift for a make-believe person.

For this activity you will need: at least 3 persons (limit 5), catalogs, gift cards, pencils, and blank grid sheets.

#### DIKECTIONS:

1. Pick a gift card and have someone in the group read the card aloud.
2. Now, go through the catalogs and choose at least 3 possible gifts that might be suitable for your person.
3. Now have someone in your group write down your alternatives on the grid sheet. Discuss among yourselves possible criteria and write them on the grid sheet.
4. Using the evaluation process of weighing the alternatives and criteria choose a gift for your person.
5. Quietly discuss among yourselves why your group chose the gift it did. Have someone in the group write a short paragraph explaining why your group chose the gift it did.
6. Drop the grid sheet into the evaluation box. Make sure every group member's name is on the grid sheet. Return all materials to their proper place.

(Even though the directions ask for a group to work this activity, a student could work alone. Use large catalogs such as Sears or Penny's that have a wide variety of items.)

#### Gift Cards

Mr. Jackson is 45 years old. He enjoys camping, hunting, and fishing. Do not spend over \$15.

Ms. Huffman is 25 years old. She enjoys tennis, jewelry, and is interested in cars. Do not spend over \$10.

Mr. Sims is 23 years old. He likes reading, music, and plants. Do not spend over \$5.

Mr. Sargent is 57 years old. He jogs and is very good at home-crafting. Do not spend over \$7.50.

Ms. Jacobs is 39. She enjoys cooking and sewing. Do not spend over \$12.

Ms. McKnight is 21 years old. She is an excellent photographer and likes to travel. Do not spend over \$17.50.

4. Social Decision Word Find

S M Y A L T E R N A T I V E  
E O G B D F A C E G R B D U  
O S C R I T E R I A A S E A  
R S A I L T G K C A L V C D  
W L A W A H W S W C L A J V  
T D E R S L W G M O O L R A  
M C S C A N D R S N C U O N  
E V A L U A T E O B A E T T  
K M C E L G R I C E T S O A  
T H A M D T T I S I E K T G  
U N C I D U E R T K S I M E  
I T R D L C O M B P D I R H  
L G U O M A J O R I T Y O V  
D I S A D V A N T A G E T N

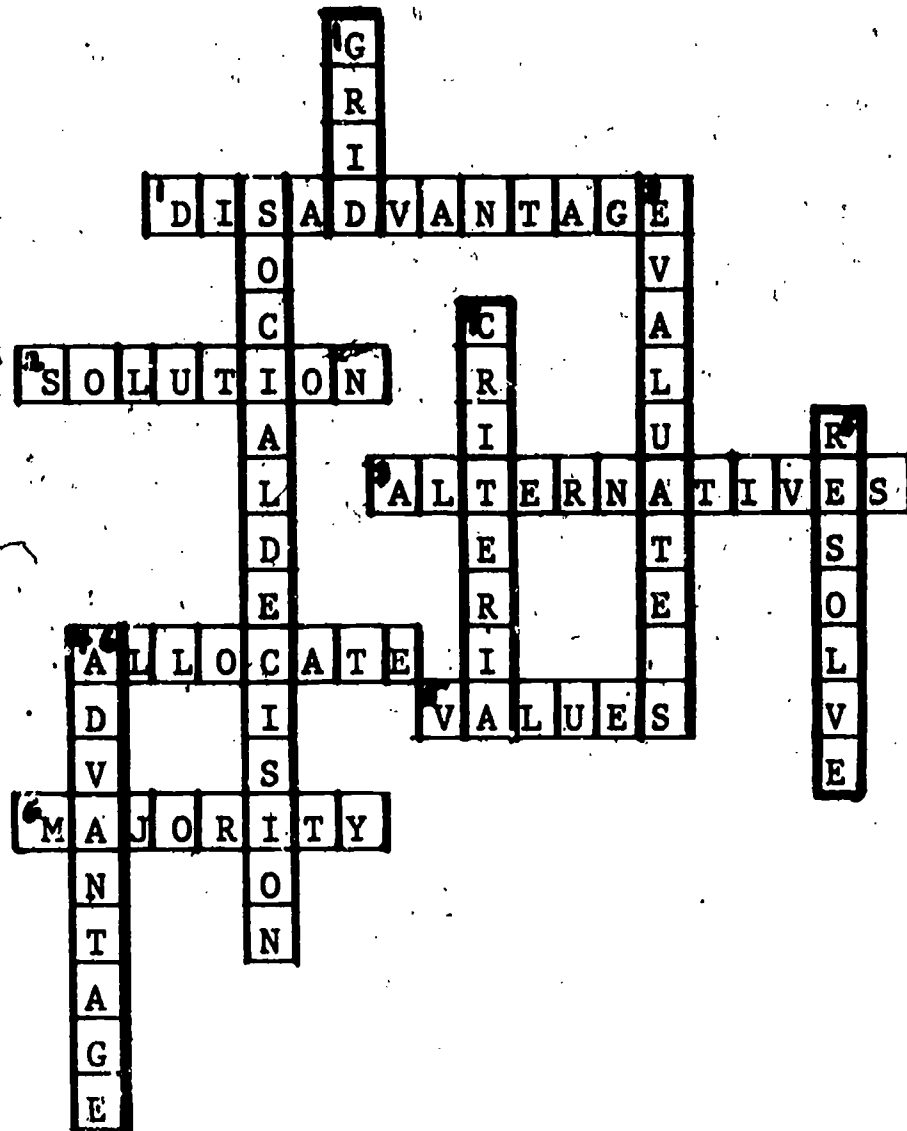
One might have three combinations of clues on the bottom of the page: vocabulary list only, definition list only, or a combination of the previous two.

Directions:

Find and circle the following words in this word puzzle. Then write a sentence using each word.

- |                    |              |
|--------------------|--------------|
| 1. Alternative     | 7. Resolve   |
| 2. Criteria        | 8. Values    |
| 3. Evaluate        | 9. Advantage |
| 4. Majority        | 10. Solution |
| 5. Disadvantage    | 11. Grid     |
| 6. Social decision | 12. Allocate |

5. Social Decision Puzzle



Across

1. Not so good, or negative points about something
2. Explanation or answer to a problem
3. Different options or choices one has
4. To set aside for a particular purpose; assign or allot
5. Deep-seated feelings that guide a person's actions in a general way
6. Greater part or number

Down

1. Framework of crossed bars used in the decision-making model
2. Solution reached by a group which will affect its members and possibly others
3. To study closely and find strong and/or weak points about something.
4. Reasons used in deciding that a certain alternative is best in a particular situation
5. To reach a solution
6. Good or positive points about something

6. Unscramble the Words

A. Unscramble these letters so that they spell out a term in economics that is related to the first three "Trade-offs" lessons.

1. JMYOARTI      O \_ \_ \_ O \_ \_
2. CASFSRIIC    O \_ \_ \_ \_ \_
3. LOGA          O \_ \_
4. NATELTVIERAS    O \_ \_ \_ \_ \_ O \_
5. TTIPUNOPOTYRSCO    \_ \_ \_ \_ O \_ \_ \_ O \_
6. GARSHNI        \_ \_ O \_ \_
7. UITQYAEL        \_ \_ O \_ \_
8. REAICIRT        O \_ \_ \_ \_
9. SAVELU          \_ \_ O \_
10. ECONIDISI        O \_ \_ \_ O \_

B. Now unscramble the circled letters to find a major concept found in lesson three.

-----

7. Solve a Problem

The goal of this activity is to solve a make-believe problem. For this activity you will need: taped problems, tape recorder, tape scripts, pencil and grid sheets. You may work with other students if you wish.

DIRECTIONS:

1. Choose one of the problem cards.
2. On the grid sheet write your alternatives and criteria. Then weigh your alternatives and criteria to reach a solution to the problem.

## Solve a Problem (continued)

3. On the back of the grid sheet write a short paragraph explaining why you chose the alternative you did.

### Problem Cards

1. The Case of the Hated Mopeds

The city of Grantville has a problem with mopeds. Since state law requires no license to ride a moped, children have clogged the streets and sidewalks with their noisy bikes. Motorists and pedestrians have complained about the danger the mopeds have created. Only last week a car hit a moped and seriously injured its rider; several pedestrians have been hit by children riding their bikes on the sidewalk. Several solutions have been proposed: require all moped drivers to pay for and pass a safe driving test; ban mopeds from the streets; build moped lanes with city money; or to use part of the city's animal reserve to build a five acre moped trail. What will Grantville do?

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2. The Case of the P.T.O. Money

Mrs. Walker's class won \$10 at the last P.T.O. meeting for having the most parents present. The class is anxious to spend the money. Several of the students would like to buy plants for the room. Some would like to have an aquarium. One group suggested a hamster or gerbil. Also, some students would like to start a paperback library. A big party was even suggested. How can they spend the money?

---

3. The Case of the Puzzled 4-H Club

The Moreland 4-H Club must decide on a service project for the school. One suggestion was to plant shrubbery on the school lawn. A local nursery would donate the shrubs. However, who would keep the shrubs trimmed when they needed it? A clean-up campaign was suggested but most clubbers want to do something that can be seen or used in the future. Some suggested large, nicely painted garbage cans be placed around campus. Bird feeders were another suggestion-but who will buy the bird seed to fill the feeders? What will the 4-H Club do?

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Solve a Problem (continued)

4. The Case of the Hazardous Halls

Grantville Public Schools has a big problem. Every time classes change there is so much noise in the halls you can't hear yourself think! To top that off everybody just pushes and shoves - just going to math class is hazardous to your health! Something has to be done! It's driving me crazy - it's driving the teachers crazy - everybody's going crazy! What can we do?

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LEARNING CENTER - LESSON 3

"We Decide"

by

Pat Milhollen

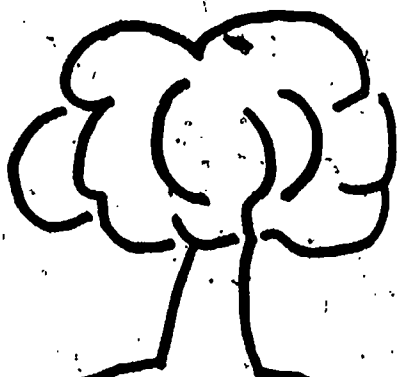




Name \_\_\_\_\_

Date \_\_\_\_\_

(complete in  
two weeks)



SOCIAL DECISION MAKING  
GENERAL INFORMATIION SHEET



SOCIAL DECISIONS are those in which more than one person is involved in arriving at a decision. Social decision making is usually more difficult than personal decision making because each individual may have different values. A good social decision takes into consideration each person's opinion and the decision made is the majority opinion of the group affected.

In this center you will:

1. Apply the five-step decision-making process to a social decision.
  - a. Define the problem
  - b. List alternatives
  - c. State criteria
  - d. Evaluate alternatives
  - e. Make a decision
2. Become aware of the differences between personal and social decision making.
3. Become aware of different values held by individuals.
4. Learn that when many people are involved in making a decision they often differ in the values they attach to different criteria.
5. Improve reading, speaking, thinking ability, writing skills, ability to discuss and analyze and improve decision skills through:
  - a. evaluating material.
  - b. conducting an interview.
  - c. giving a short talk.
  - d. giving and receiving advice through written and oral assignments.
  - e. analyze television shows.
  - f. reading books.
  - g. writing papers.
  - h. developing projects.
  - i. writing and performing in plays.
  - j. doing opinion polls.
  - k. participation in discussions.
  - l. creative activities.



DIRECTIONS

In the box you will find a folder assigned to you. (Place this sheet in the folder and staple on the left hand side). This is your record sheet also. You will find a general information sheet on the right hand side of your folder. Read this sheet very carefully.

You are to choose any activity card you wish to begin. After reading and understanding directions on the activity card, put the card back in the correct place (according to number). The following standards have been set for completion of activity cards. However, you may complete as many as you like for "extra" credit. Remember, your work should be your best! Quality is as important as quantity!

If your name is written in RED. . . . complete a minimum of 7 cards.

If your name is written in BLUE. . . . complete a minimum of 10 cards.

If your name is written in GREEN. . . . complete a minimum of 12 cards.

Cards chosen should be the ones you want to do.

Check off completed activities on the record sheet below. Put the completion date by the activity. (See your teacher whenever you have a problem - place your name in the "HELP Wanted" corner of the chalkboard and the teacher will come to you. Do not interrupt the teacher when she is helping another student.)

After finishing the center, arrange a conference with the teacher. Fill out the evaluation sheet for the center before the conference. At the conference, be ready to discuss the objectives for the center.

DO YOUR BEST! GOOD LUCK!

ACTIVITIES:

- |          |           |           |           |
|----------|-----------|-----------|-----------|
| 1. _____ | 6. _____  | 11. _____ | 16. _____ |
| 2. _____ | 7. _____  | 12. _____ | 17. _____ |
| 3. _____ | 8. _____  | 13. _____ | 18. _____ |
| 4. _____ | 9. _____  | 14. _____ | 19. _____ |
| 5. _____ | 10. _____ | 15. _____ | 20. _____ |



Center Title: SOCIAL DECISIONS  
Social studies & language arts

Materials needed: Holder with 20 pockets

40 activity cards (2 of each activity)

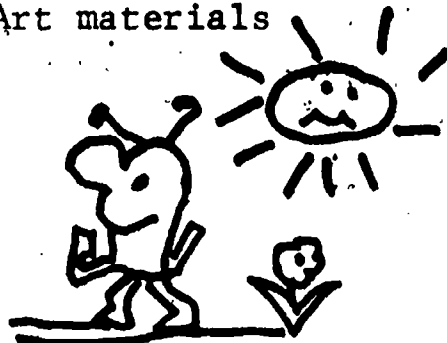
Folders (1 per child) for information and record keeping

Directions package

Question box

Newspapers, magazines, books

Art materials



Activity Cards:

1. READ! READ! Read a biography or autobiography. (You may choose a book of fiction if you like.) What decisions did the main character have to make that affected other people? Write a story about the decisions. Give your opinion as to whether the decisions were good or bad and tell why.
2. YOUR OPINION: Some people in Georgia feel that our highways are being destroyed by trucks. They also feel that truckers break the speed limit and have no consideration for other drivers. How do you feel about this? Ask your parents and other adults. Can you come to a conclusion about people's opinions? Can you list some solutions to this problem that would benefit other people? Work on this with another member of your class.
3. WORD SEARCH: Make up a "word search" using the following words, decision, alternative, evaluate, grid, consideration, criteria, list, conflict, personal, social, define, opinion. Give your word search to friends. Can they find the words? Alternative: Scramble up the words and let your friends try to unscramble them.

4. WHO? WHAT? WHEN? WHERE? HOW? Go through several old newspapers at home or school. Look for and cut out articles that tell of some decision that was reached. Underline WHO the article is about, WHAT happened, WHEN it happened, WHERE it happened, and HOW it happened (the decision). Arrange your articles in a booklet for sharing.
5. 2000 A.D. WHAT IS THE WORLD COMING TO: Nobody knows for sure, but you could use your imagination. Make up a list of social problems people COULD face in the future (things that will affect everyone). After thinking of some possible social problems of the future, make up a front page for a newspaper of the future. Let your imagination run wild!
6. CARTOONS: Get a stack of old newspapers and magazines. Look for cartoons where someone has made a personal or social decision. Cut the cartoons out and arrange on a poster or in a booklet. What were the decisions? Be creative--draw your own cartoons showing social decisions being made.
7. LIMITED RESOURCES: Find out if there are any resources in your school or community that are limited (not enough of it available for everyone who wants to use it). How might the community or school decide to allocate the resource? List alternatives. Evaluate. Share your findings with the class.
8. NEWS HEADLINES! You read the following headlines in the newspaper: "INSPECTORS FIND RATS IN MANY OF OUR FOOD FACTORIES" What social decisions will have to be made? List as many as possible. Share your list with a friend or friends. After discussion among the group, come to a majority opinion on how to deal with the problem.
9. FINISH THE STORY: Your baseball league has 6 teams but only 1 field on which to practice and play games. This field will have to be used by all 6 teams. There are games scheduled for Wednesday, Friday and Saturday evenings at 6:00. The teams meet to decide how they will use the playing field. What did they decide? Finish by writing a report or short story about their decision.
10. SENTENCE WRITING: Write 10 sentences using the following guide:
  1. Mary decided to go home because (decision affecting others) her family would worry if she was late for dinner.
  2. Jim decided to stay at home because. . . (decision affecting others). . .
  3. The team decided to cancel the game because. . .
 Write the rest of the sentence using the pattern shown above.

11. I NEED ADVICE: Your newspaper probably has an advice column. Do you have any social problems? If you have a problem, write it down using materials in the social decisions box. Place the problem in the box. A period will be set aside each day to discuss these problems. (Do not sign your name.) If you don't have a problem, make up one that someone could have. Areas of social concern for you - friends, money, chores, group activities, etc.
12. TELEVISION REPORTING: Listen to the news on television for 4 nights (chosen from a week). Keep a list of news that tell of people reaching decisions involving other people or countries. Share list in discussion with class or arrange in one corner of the bulletin board designated for "Decisions".
13. Decision List: Keep a list of decisions you have to make that affect other people as well as yourself (for at least 3 days). How were the other people affected? Did you show respect for others in the decisions you made? Record your findings.
14. DEAR GABBY: Gabby has more letters than she can answer. Please help her out and write answers to these letters:
1. Dear Gabby,  
Our class is planning a party. Everyone seems to disagree about everything concerning the party. Do you have suggestions?  

Signed: Troubled
  2. Dear Gabby,  
Our club has \$50.00 to spend for service projects. Nobody seems to know how to spend it. Any suggestion?  

Signed: Confused
15. INTERVIEW: Reporters often interview interesting people. Who could you interview? Make a list. Choose one or more from the list to interview. Make a list of questions to ask in the interview concerning decisions made by that person (decisions they have made and the effects of those decisions on others).
16. SELFISH DECISIONS: Have you made a decision in the past that made other people unhappy because it was a selfish decision and did not show consideration for others? Think of ways you could have made a better decision. Write a short story about someone who made a decision that was selfish. Tell how the decision affected other people.

17. TELEVISION CRITIC: Survey 20 people and ask about their favorite and least favorite television program. Get a "like" or "dislike" statement from each. Pool your results. Can you note similarities in likes and dislikes? Record their opinions for class discussion. Alternative: Choose 5 television programs you are familiar with and ask the same 20 people if they like or dislike the program. Once again look for similarity in decisions.
18. WRITE A PLAY: Write a play involving decision-making. Example: (Class is planning a picnic. Discuss Who? What? Where? When? How?) The play's end should show a final group decision (add a little "humor" for fun). Two or three persons may do this together. All of the group gets credit on the check list.
19. SCHOOL PROBLEMS: Make a list of as many school problems that you can think of that affect everyone. (Hint: Ask the principal or teachers.) Pick one of the problems. Choose three friends to work with you. Can you think of a way to solve the problem? Present your findings and solutions to the class. Does the class agree? Is there something the class can do to really help solve the problem? Enlist the help of the Student Council if you have one.
20. BE A TELEVISION CRITIC: Keep a diary while viewing some of your favorite television programs for several days. Look and listen carefully for decisions television characters had to make. List the decisions. What were the results? Did they make a good decision? What would have happened had they not decided as they did?

EVALUATION OF CENTER

Directions: Do not sign your name. Place in holder on activities board when completed.

Give your own response to the questions.

1. Did you enjoy working in the center? \_\_\_\_\_

Why or why not? \_\_\_\_\_

2. What did you learn about social decision-making? \_\_\_\_\_

3. Were the activities interesting or boring? \_\_\_\_\_

Explain: \_\_\_\_\_

4. Were the directions clear? \_\_\_\_\_

5. What did you enjoy most? \_\_\_\_\_

What did you enjoy least? \_\_\_\_\_

6. Should the teacher use this center with another class? \_\_\_\_\_

Why or why not? \_\_\_\_\_

7. Will you be more aware of the other person's opinion in the future?

Why? \_\_\_\_\_

8. Will you think about how your decisions affect others in making future decisions? \_\_\_\_\_

Why or why not? \_\_\_\_\_

## EXTRA FOR EXPERTS

1. Choose a topic of public concern. (See list below)
2. Research the topic and become knowledgeable about the problems and ~~current trends~~ in dealing with it.
3. Make a public opinion survey in your school or neighborhood and ask students how they feel about the problem. Be sure to have a choice or choices for them to make. (Prepare a good comprehensive list of questions stating choices, etc.). When you finish your survey, make a chart showing the results. Share the results with the class. Poll the class to see if they agree or disagree with the majority of the people you polled.
4. For an art project, you could make a mobile about this problem.

### TOPICS

Child Abuse  
Drug Abuse  
Alcoholism  
Discrimination (race and sex)  
Taxes  
Government Waste  
Dishonest Government  
Voter Apathy  
Union Strikes and Job Layoffs  
Pornography  
Pollution  
Juvenile Crime  
Food additives. . . Are they safe?  
Television. . . How can we improve the quality?  
Capital Punishment  
Volunteer Army VS Draft  
Government Regulations on Prices  
Rising Utilities  
Nationalized Medicine  
Legalized Gambling  
Legalized Marijuana  
Equal Rights Amendment  
Working Mothers. . . Is it OK?  
Holiday Celebrations . . . Are they getting out of hand in our country?  
Care of the Elderly. . . Provided by Government or Family?  
Should Food and Medicine be taxed?



## LESSON FOUR

### "Give and Take"

OBJECTIVES: Students should be able to:

1. Define "trade-offs" as giving up some of one thing to get some of another thing.
2. Generalize that more desirable solutions often result when two or more objectives are partially satisfied rather than when one objective is achieved completely to the exclusion of others.
3. Point out that different people make different trade-offs depending on which objectives are most important to them.

#### VOCABULARY:

1. Trade-off - Giving up some (not all) of one thing to get some (not all) of another. Trade-offs can involve more than two things, and many combinations are possible.
2. Security - Protection against risk; economic security concerns the desire of people against economic risks, such as unemployment and business failure.
3. Conflict - A situation where two or more people, ideas or goals are in opposition or competition.
4. Council - A group of persons elected by the people to make laws for and manage the affairs of a town or city.
5. Revenues - Monies coming in; a town's or city's revenues would be the money coming in from local taxes, business license fees, etc.

#### PRE-VIEWING ACTIVITIES:

##### 1. Spell-a-Word

Often students just enjoy physical movement after sitting for a while; therefore, this variation of a scrambled word exercise can be used to provide physical release.

The teacher should obtain colorful halves of poster-board and write one letter of the word "trade-off" in bold print on each sheet. Mix up the letters and give a sheet to each of the eight students to hold in front of her/him as she/he stands in front of the class. Class members study the letters and raise their hands for a chance to "arrange their classmates" in the sequence which spells "trade-off."

Once the correct spelling has been achieved the teacher should solicit ideas as to its meaning. Finally, the teacher should explain the concept of trade-off and encourage students to restate it in either verbal or written form as a measure of their understanding.

## 2. Situation

Make copies of each of the four situation cards described below (3" X 5" index cards) so that each student will have a card describing one situation, e.g. a class of 24 would require 6 copies of each card. Each student reads his card silently and decides on his course of action.

For each of the four situation cards select a couple of students to name the alternatives they saw in the situation, tell their decision and name the opportunity cost of their decision.

If students come up with courses of action which include a trade-off, point out that what they decided to do in those situations was to give up some (not all) of one thing to get some (not all) of another thing. Introduce the word "trade-off" and write it on the chalk board.

If students do not make any trade-offs in their decisions tell that class that program four, "Give and Take," will help them see some other alternatives to these five situations. Tell the class that these "new" alternatives are called "trade-offs" and write the word on the chalk board. Following the viewing of the film, have the class reanalyze the cards and suggest other solutions which illustrate trade-offs.

### A. Situation 1 - "Let's Go to the Movies"

You have a limited supply of money. You would like to spend eighty cents at the movies for a coke and popcorn. As another alternative, you could decide to save your money for the bicycle you plan to buy.

- \* Is there anything else you could do with your money?
- \* List all of your choices.

1. What choices do you have for spending your money?
2. What will you choose?
3. What was your opportunity cost?

### B. Situation 2 - "You're a Farmer"

You have a limited amount of space. You decide to plant either a vegetable garden or a flower garden in the available space in your back yard.

1. What are your choices?
2. Why would you plant flowers?
3. Why would you plant vegetables?
4. What is your decision?
5. What is your opportunity cost?

C. Situation 3 - "Baseball Season"

You have a limited amount of time. You must decide whether to study for an important test or to watch a big baseball game.

1. What is your problem?
2. What are your choices?
3. What is your decision?
4. If you decide to watch the ballgame, what will you give up?

D. Situation 4 - "Recess Problem"

The class has forty minutes of extra recess time but the activity they choose must be something the whole class can do. Half the class (mostly boys) wants to play kickball while the other half of the class wants to play tag.

1. What is the problem?
2. What are the choices?
3. What would you choose?
4. What would be your opportunity cost?

3. What to Do?

Situations very real to students often involve the use of their time. While this type of trade-off does not involve money, the give and take involved is real for students to understand.

Give each student a handout which reads:

You have just been invited to a skating party from 3:30 to 5:00 p.m. on Monday. You really want to go but . . .

You and your family are planning to go out to dinner at 6:00 p.m. on Monday.

You have an exam on Tuesday and you need to study.

You and a friend have been refinishing some old chairs which you hope to sell at Saturday's auction. Plans were to work for an hour each afternoon in order to finish them by Saturday.

School is over at 3:15 p.m. How will you use your time?

In the blank space below, write down how you will use your time and why you made that decision.

As students complete their decisions, the teacher should write on the board the word TRADE-OFF. After eliciting what students think the term means, explain that a "trade-off" is giving up some (not all) of one thing to get some (not all) of another. Trade-offs can involve more than two things, and many combinations are possible.

The teacher should then ask students who tried to accomplish some of at least two of the activities to raise their hand. Three? Four? Ask students to examine their papers and observe the goals they desired. What was the most important to them? Use the following questions to focus student thinking on the values behind their choices.

Ask:

1. Was having fun and social activity among your primary goals?
2. Was a good grade and education a value for which you used your time?
3. How did you rank family responsibilities and interaction in your allotment of time?
4. Was your friend and your responsibility to him as important to you as the other things?

The teacher should then refer students back to lesson two, "Personal Decision Making." Was their decision for the use of their time on Monday afternoon made with thoughtfulness and according to specific criteria? Apply the criteria presented in program two in order to examine their first choice for the use of their time after school on Monday.

#### POST-VIEWING ACTIVITIES:

##### 1. Concentration Game

Place the following terms and their definitions on 3" X 5" index cards. Then divide cards into a "terms" stack and a "definition" stack. After shuffling the stacks, students first turn over one term card. Then they turn over the definition cards until the correct definition for that term comes up. The student who recognizes the correct definition first by saying "economics" scores a point. If a student says "economics" for an incorrect definition, one point is subtracted from his/her point total. The teacher may wish to place an answer sheet with the card game for use in settling disputes.

TRADE-OFF	Giving up some of one thing to get some of another
GIVE	To yield to someone else
TAKE	To receive from someone else
FREEDOM	Having liberty to do what one wants
SECURITY	Feeling of being safe
SACRIFICE	To give up or lose something
GOAL	Something desired, objective
REVENUES	Monies coming in
CONFLICT	Situation where people or goals are in opposition

ALTERNATIVES	Choices
OPPORTUNITY COST	What a person gives up when he makes a choice
SHARING	Participation with others
EQUALITY	All things are alike
CRITERIA	Reasons you use in making a decision
VALUES	Things that are important to a person
DECISION	A judgment or settlement
SOCIAL GOALS	Specific desires of a group or a community
COUNCIL	Group of elected representatives

2. Word Search

Directions: Use the clues on the next page to find the terms used in program four.

B D F H G P F X C Z A K  
D C H C R I T E R I A B  
D T E Q N R M Y B N H M  
E S I O A T O W O V L C  
F O Y M T S D G J V L S  
P C T R A D E O F F S L  
R Y I L K O E A P E D A  
B T R Y E I R L U A R O  
N I U T U Q F L Q L E G  
A N C I Z S A R U T A L  
L U E L E V S S N E E A  
Z T S A C M G O T R C I  
G R J U I G I V E N F C  
T O Y Q F S T L Y A W O  
J P K E I H K U V T U S  
V P I C R A C R F I C E  
X O E X C Y W M Q V N G  
H D D H A R I N G E I K  
A C E G S J I P O S O M

\*\*\*\*\* CLUES \*\*\*\*\*

1. To give up some of one thing to get some of another
2. To yield to someone else
3. To receive from someone else
4. Having liberty to do what one wants
5. Feeling of being safe
6. To give up something
7. Something desired, objective
8. Choices
9. What a person gives up when he makes a choice
10. Participating with others
11. When all things are alike
12. Reasons you use in making a decision
13. Things that are important to a person
14. A judgment or settlement
15. Specific desires of a group or community

3. Role Playing

Situation:

The city of Eckerville has been the recipient of a fairly large grant of money which is not restricted in its use. Considerations for spending the money have included purchasing small abandoned lots in the downtown area to use for much needed parking and to curb the flow of buyers to the suburban centers; building a new city jail which several Grand Juries and the Judge of the Superior Court have said is desperately needed; or building an additional airport runway as well as resurfacing the present runway so that larger planes can service the surrounding areas.

Procedure:

1. Read the situation to the class.
2. Assign the role cards to nine class members and divide the remainder of the class into pro-expansion and anti-expansion forces.
3. Allow roleplayers, pro-expansion forces and anti-expansion forces sufficient time to analyze and discuss the situation in small group settings. Each group should select a spokesman.
4. The city council meeting begins with council members presenting their points of view and supportive reasoning. Members of the pro-expansion and anti-expansion forces are then allowed to formally present their points of view to the city council.
5. Following the presentation of points of view, the city council votes on what action to take.

Follow-up: A debriefing or discussion should follow the council vote.

1. Did any trade-offs occur? If so, what were they? Discuss each trade-off.
2. Were decision-making skills presented in programs two and three used? Why or why not?

## ROLE CARDS

### Chairman of the City Council

You vote only in the case of a tie. Your views on the airport expansion are unknown to others at this time.

### City Council Member

You favor the airport expansion as a means of bringing in more industry to the area. You are concerned about re-election but you think it is a wise move for the city.

### City Council Member

You think the extension to the present airport is worthwhile, will bring industry into the area and may even lower taxes eventually. There is opposition to it, but you think it can be overcome.

### City Council Member

You favor the airport generally but you have no strong views and your district's residents have not expressed any strong views either.

### City Council Member

You personally favor the airport expansion and feel it is very worthwhile. However, in the last election you barely won and the voters in your district really oppose the expansion.

### Farmer

You live in the airport area and have been asked by the other farmers to voice their opposition due to the increase in noise pollution affecting livestock, etc. You also refuse to sell the necessary land which you own.

### Real Estate Salesman

You desire to sell the land for the expansion, at any cost, as you stand to make a very large commission.

### Representative of the Chamber of Commerce

You favor the expansion as a means of attracting more industry and, thereby, bringing in more revenue to the community. This additional revenue could be used for other community improvements.

### Spokesperson for a nearby Housing Development

You represent many who oppose the expansion. The increase in noise, traffic and pollution, along with the decrease in property value, makes this action very unattractive. Your council member is on the current council.



#### 4. How Shall It Be Used?

Cumberland Island is a state operated park and popular tourist attraction located five miles off the coast near Brunswick, Georgia. Each year thousands of vacationers travel by boat from the mainland to see the natural beauty provided by the island scenery. The Georgia Department of Natural Resources has constructed hiking trails and overnite campsites for use by the visitors. It has also placed daily limitations upon the number of people who may visit the island in order to control the impact of the vacationers upon the fragile environment. This makes it almost impossible for all tourists to visit the island whenever they wish. Some have tried to encourage the Department of Natural Resources to develop more of the island for use by vacationers instead of using scarce state funds to further protect the ecology of Cumberland. Environmentalist groups, such as the Georgia Conservancy, oppose such a move and stress the possible destruction of the very beauty which attracted the tourists to begin with. Some even go so far as to suggest that Cumberland Island be entirely closed and state funds be used to maintain it as a wildlife refuge.

1. What is the problem?
2. What would you do with Cumberland Island?
3. Given your decision, what goal did you consider most important?
4. What goals might you be forced to sacrifice if your decision were employed?
5. What is the opportunity cost if you decide that Cumberland Island should become a wildlife refuge?
6. What trade-offs (compromise) would you be willing to consider?

#### 5. Make A Bulletin Board

Trade-offs are constantly reported in the newspaper and news magazines. Sometimes the word "trade-off" is even found in the title of a news story.

Title a large bulletin board "TRADE-OFFS" with large letters made of construction paper. Divide the board into four segments and in different colors title the segments "In the Community," "In the State," "In the Nation," and "In the World."

Students then place in the appropriate categories news articles reporting events in which a trade-off was made or might be made. As articles are posted, the teacher may wish to have students report the article and involved trade-offs to the class.

After the bulletin board is taken down, volunteers may wish to reassemble the materials in a class scrapbook for use by future classes.

6. What's the Answer?

Present the following hypothetical situation to the class. As students discuss the questions presented at the end of the situation, have them verbalize the goals of both the manufacturer and the consumer. Point out specific ways these goals conflict with one another.

Encourage students to look for newspaper stories (or create their own stories) illustrating conflict situations.

Sikesville's major employers are three shoe manufacturing plants. They employ 2/3's of the town's workers. Consumers are buying less expensive shoes of identical quality that are imported from Europe. If this continues, Sikesville's shoe manufacturing plants will have to close. Shoe producers and other manufacturers that face competition from imports want a tariff (tax) on imported goods, making them more expensive than goods produced within the country.

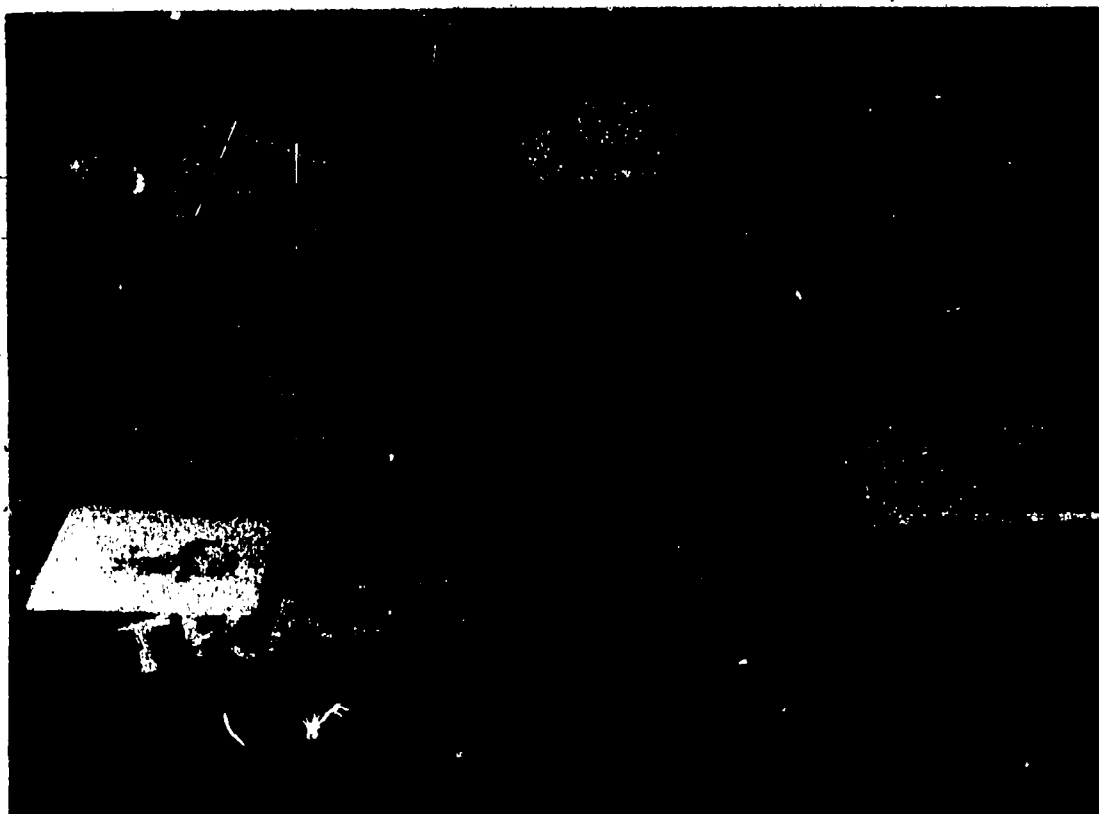
You understand the manufacturer's concerns. If no tariff is passed, many of your neighbors and tens of thousands of employees throughout the country will be unemployed. At the same time, you as a consumer enjoy the freedom to buy imported goods at a lower price than comparable domestic goods. If the tariff or import tax is instituted to protect domestic jobs, the consumer will pay more.

The countries affected by the tariff could retaliate by placing a tariff on goods they import from our country. This would threaten jobs of many workers throughout the country. What is the answer? - higher prices and more jobs? or lower prices and more unemployment? or a little of both? How would you solve this conflict?

LEARNING CENTER - LESSONS 1-4

"The Trade-offs Post"

by  
Georgia Bagby  
and  
Robert Ables



**PURPOSE** - To extend and enrich concepts introduced in Lessons 1-4 of the economics series, Trade-Offs.

**DESCRIPTION** - This center is set up in three Learning Stations.

Station I reviews concepts learned in lessons 1-3. There are six activities for all students to complete.

Station II contains eight activities that use newspapers to extend learning. The activities in this station are progressively more difficult. Therefore, a choice is given to the student as to which six he/she will complete.

Station III is a game and evaluation area. Four games are included for both fun and enrichment. Students complete an evaluation of the center at this station and turn in completed work.

**MATERIALS** - Old magazines, catalogs, newspapers, scissors, glue, paper, crayons, markers, game boards, dice, game cards, and folders for directions and completed work.

## STATION I

### Directions

At this station, there are six activities for you to complete. Work alone at Station I.

Place completed work in the folder provided.

### ACTIVITY 1

#### Identifying Opportunity Cost

Below are four situations in which choices were made. What choices were made? What was the opportunity cost of each?

- A. Karen studied Monday night instead of going to a ballgame.
- B. Blair takes karate lessons rather than guitar lessons on Saturday morning.
- C. John bought a motorcycle magazine rather than an ice cream sundae.
- D. Carol went to bed early and missed her favorite TV program.

	<u>Choice</u>	<u>Opportunity Cost</u>
A.		
B.		
C.		
D.		

### ACTIVITY 2

- A. Imagine you have received a \$25.00 gift certificate. Decide how you would spend it. Apply decision-making skills you have learned.
- B. Cut out pictures of items you would like to purchase from magazines and catalogs. Include the price of each item.
- C. Circle the items you would actually buy with the gift certificate.

### ACTIVITY 3

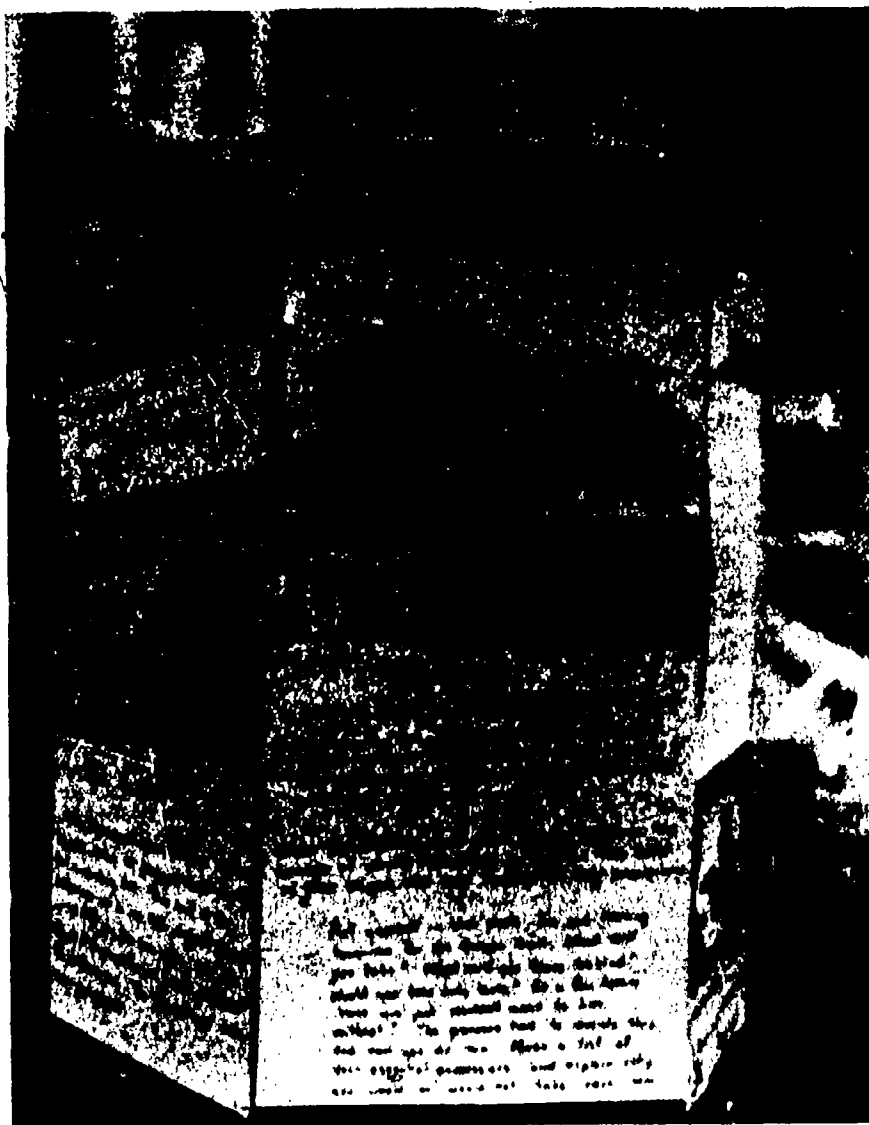
Complete the story. Your ending should discuss various ways of allocating a limited resource and explain the advantages and disadvantages of each way of allocating the resource.

"On the first day of school, Ms. Moore explains that she has only two playground balls for the class to use during P.E. Since most of the students will want to use them, and not everyone will want to play the same games, she asks the class for suggestions on how to distribute the balls each day. The students have many ideas and suggest..."

## ACTIVITY 4

### "Wagon Train"

- A. What is really important to you? When you are in a position to own things and can buy for yourself, then you have to assign a value to your money and only buy what you want - what you'll really value.
- B. When the settlers moved west, they didn't have the services of movers. They had to take all they could on their wagons and leave the rest of their possessions. They could only take what they needed most or valued the most!
- C. Put yourself in the place of early settlers moving west. You are leaving tomorrow for the Oregon Trail. What will you take? What will you leave behind? Would you take only tools? Or a few luxury items you just wouldn't want to live without? The pioneers had to decide this, and now you do, too. Make a list of the items you would choose to take and explain why you would take each item.



## ACTIVITY 5

### "Buying by Steps"

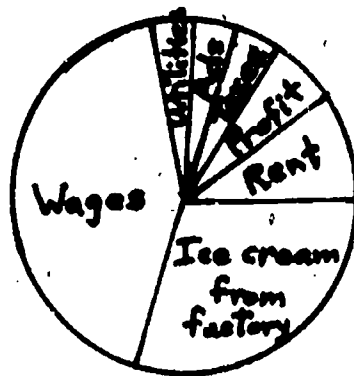
Imagine that you are going to buy a pair of sneakers. Use numbers to place the steps below in the order you would follow in making your purchase.

- \_\_\_\_\_ a. select the color and style
- \_\_\_\_\_ b. save enough money
- \_\_\_\_\_ c. pay for the sneakers
- \_\_\_\_\_ d. have them fitted properly
- \_\_\_\_\_ e. go to the store
- \_\_\_\_\_ f. decide which sneakers you can afford
- \_\_\_\_\_ g. find a helpful salesperson
- \_\_\_\_\_ h. compare brands
- \_\_\_\_\_ i. decide where you will buy
- \_\_\_\_\_ j. wait for your change

## ACTIVITY 6

You go to an ice cream store. You have a quarter to spend, so you buy a honey-almond ice cream cone.

Imagine that your quarter is a pie. Study the pie (circle) graph below and answer the following questions.



1. How much does the shopkeeper keep as a profit?  
a.  $1/4$    b.  $1/2$    c. all   d. less than  $1/10$
2. Does more go to pay taxes than to pay people?  
a. yes                      b. no
3. How much goes for advertising?  
a.  $1/2$    b.  $1/4$    c.  $3/5$    d. less than  $1/10$
4. Which receives the largest part of the quarter?  
a. workers                      c. profit  
b. utilities                      d. government

## STATION II

### Directions

There are eight activities at this station. Complete any seven of the activities. You may work with a friend at Station II.

Place completed work in the folder provided.

### ACTIVITY 1

Cut letters of the alphabet from newspapers (headlines and advertisements) to spell the new economic vocabulary words you have learned. Paste them on paper and draw an explanatory picture for each.

### ACTIVITY 2

How economically can you feed your classmates? Plan a cookout for your class. Calculate the amount of food needed for the entire class. "Shop" in the newspaper for the items you need. Total your expenditures.

### ACTIVITY 3

Circumstances often dictate which items will be luxuries and which will be necessities.

"You have an imaginary \$30.00 to spend before you leave on a fantasy trip to a secluded cabin in the mountains for one week. The cabin has in it an electric stove, refrigerator, table, chair, bed and lamp - nothing else. How will you spend your \$30.00? "Shop" for your items."

### ACTIVITY 4

- A. Circle all the words you can find for 3 days in the newspaper that refer to economics.
- P. Alphabetize the words.
- C. Combine your list with one other person who has completed this activity. Together, define the words and make a sentence with each word.

### ACTIVITY 5

Create "families" with various numbers of dependents and amounts of income. Individually or with a friend, select homes for each family from the classified ads of the provided newspapers. Be prepared to justify your choices.

### ACTIVITY 6

- A. What would you want to tell a Soviet young person about America's economic system? Pretend you have a pen pal in Russia. Write a letter describing economic life in the United States. Tell him what you know about our private enterprise system.
- B. Clip newspaper items you would send to illustrate the points you made in your letter.

### ACTIVITY 7

Watch the newspaper for news items about international trade agreements. Imagine the kinds of "trade-offs" that might be necessary thousands of years from now to facilitate interplanetary trade. Try to describe in writing one or more of these possible future "trade-offs."

### ACTIVITY 8

- A. Keep a scrapbook of "trade-offs" in the news. Collect articles that involve conflicting goals.
- Examples: labor-management disputes  
taxes - local improvements  
industry - environmental protection
- B. Summarize your articles. Identify how each of the goals in an article is individually a desirable goal. Explain how two or more desirable goals are in conflict.



## STATION III

### Directions

There are four games at Station III. You may play any one or all of them.

### GAME I

#### "Going Somewhere"

**Materials:** Game folder containing cards (2 stacks, one stack of items of sports equipment such as golf balls, tennis shoes, camping equipment, skin diving equipment, etc., and one stack of situations, i.e., going places where equipment will be needed).

**Object:** To trade for needed equipment

**Directions:**

1. Shuffle the equipment cards and deal out 5 cards to each player.
2. Each player chooses one situation card.
3. Take turns trading until one player has five pieces of equipment needed for the situation illustrating where he/she is going.

### GAME 2

#### "The Hunt"

You are on the trail of Bigfoot the Bear. You must have:

Heavy Coat	Compass
Hat	Binoculars
Snow Shoes	Tent
Rifle	Canteen
100 Shells	2 cases of food

(MAKE SIX CARDS FOR EACH ITEM)

Play the trading game with two or three friends.

**Directions:**

1. Shuffle and deal the cards - 10 cards to each player.
2. Turn remaining cards face down.
3. Beginning with the dealer and moving left, players take turns offering other players an item he/she has for an item he/she needs. If a trade is made, move to the next player. If a trade is not made, the player draws one card from the stack and takes one card from his/her hand and places it at the bottom of the stack.
4. The player who first holds a card for each item on the list wins the game.

### GAME 3

#### "The Best Choice"

Use the sheet illustrating "career tools" to play these games. Each item on the sheet is related to one or more careers. Select appropriate items for each of the games described below.

Game I - You have \$249.00 to buy items for your job. You are a reporter. What items will you buy?

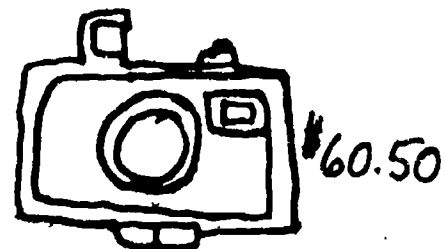
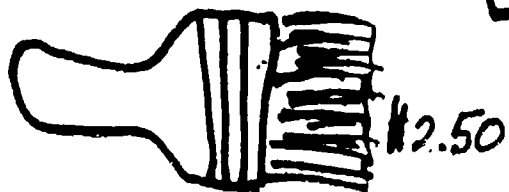
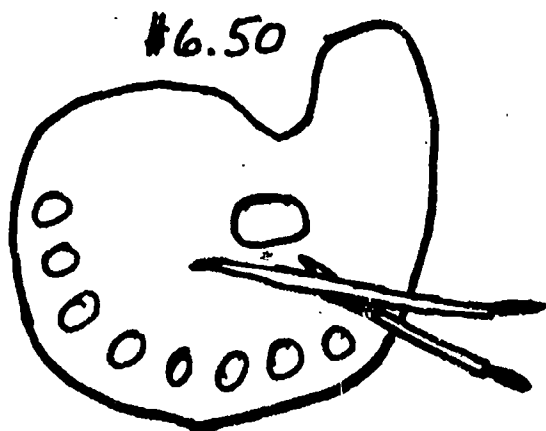
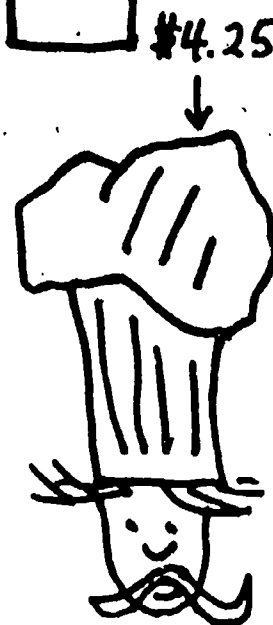
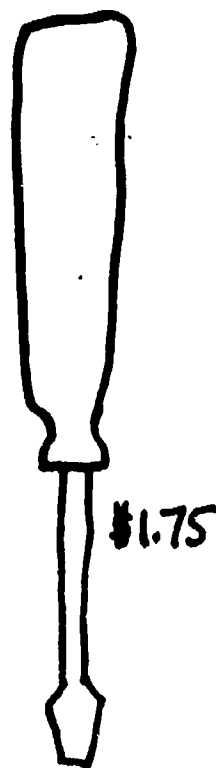
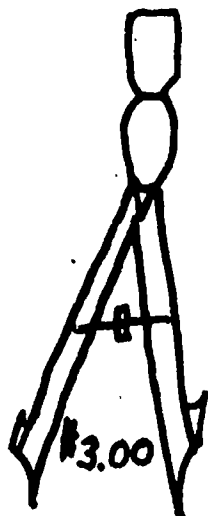
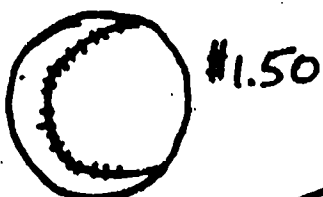
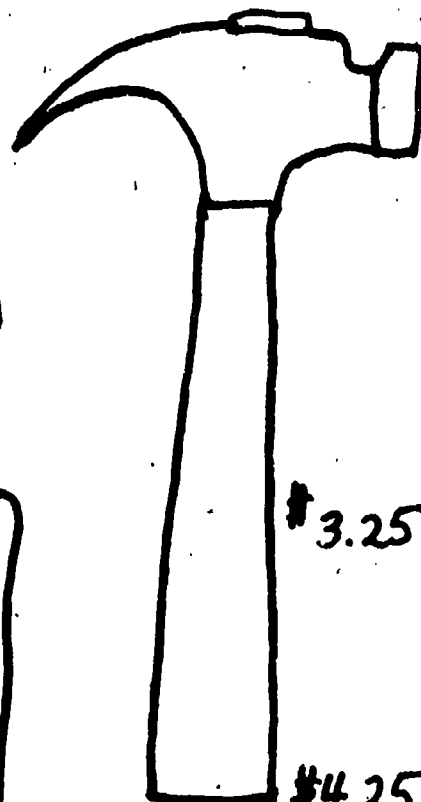
Game II - You have a construction business. You need some small items. Spend \$5.00.

Game III - You are a doctor. You have \$35.00 to invest. What will you buy?

Game IV - As an artist, you need special equipment. You have \$13.50. What will you buy?

Game V - You prepare food. Some times on the list are items you need. You have \$5.00. Buy only one item.

CAREER TOOLS



## GAME 4

### "The Chocolate Factory"

The Chocolate Factory always gives samples at the end of their tour. In order to walk through the whole factory and get a reward at the end, you must follow the route from the mixer to the packaging of the candy.

Play the game with one or two friends using the game board, "Tour of the Chocolate Factory," and the die cube provided.

#### Directions:

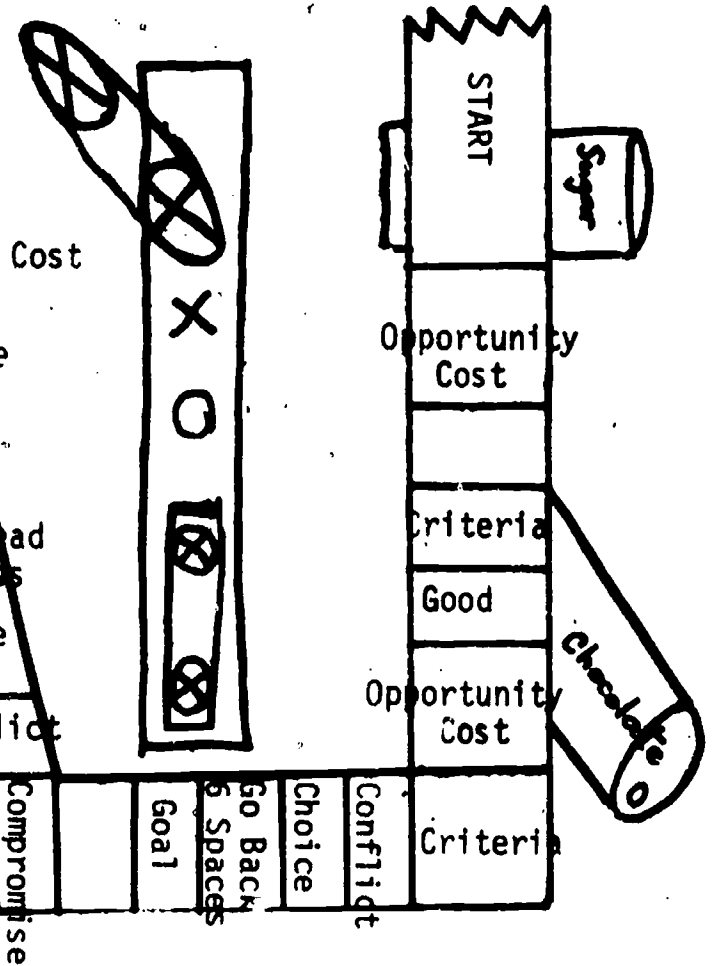
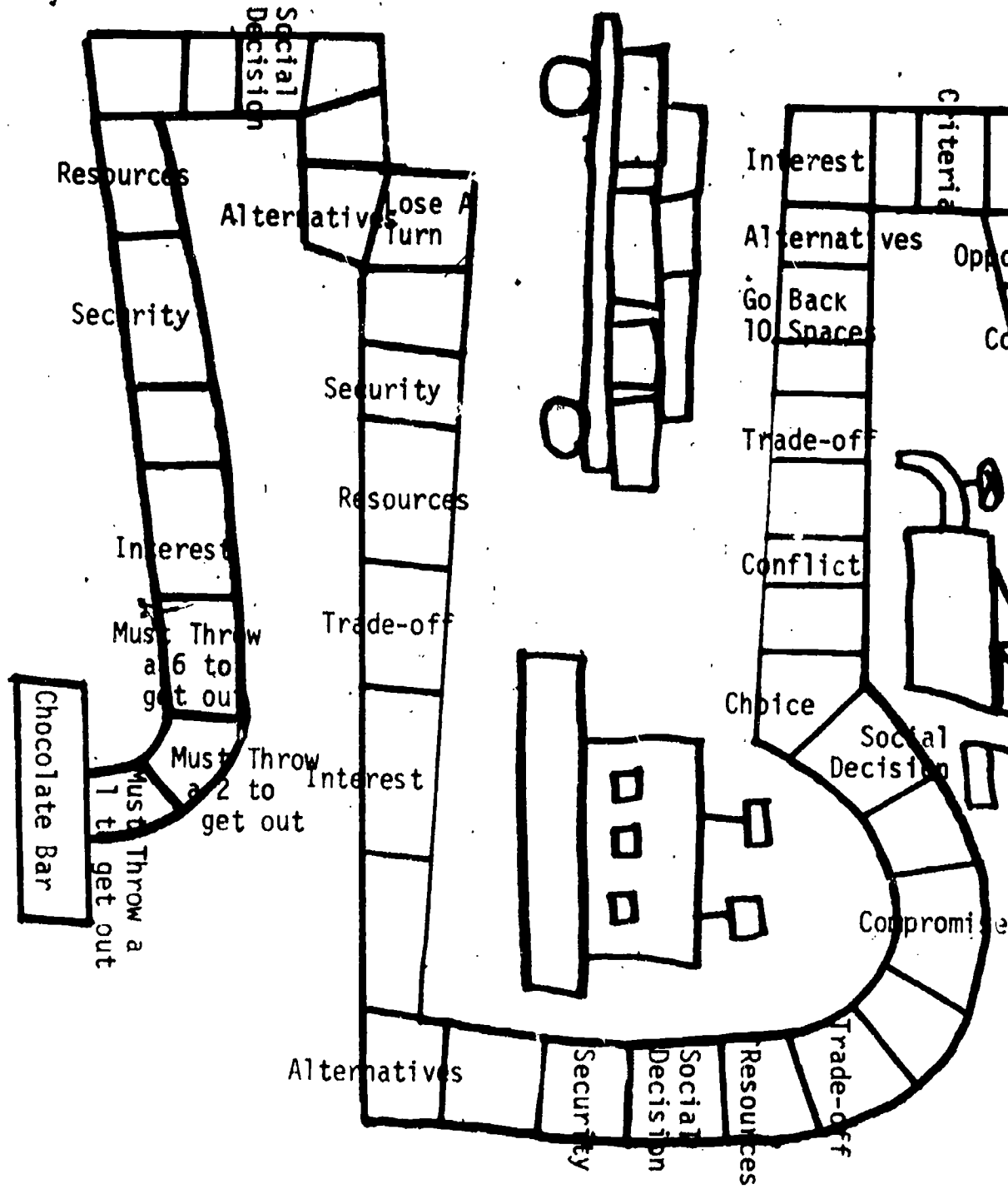
1. Each player throws the die to determine the order of play. Highest roll gets first, etc.
2. Move forward (use poker chips or some other form of markers) the number of spaces rolled on the die. If the space you land on contains a term you must define that term. If you can't define the term, go back to the space you were previously on. If the space you land on is blank you may stay on the space without having to define any word.
3. If a player lands on one of the last three spaces, he/she must roll the directed number to get out of the factory.
4. The player getting out of the factory to the chocolate bar first wins the game.

<u>Square Number</u>	<u>Term to be defined</u>
1- 5-18	opportunity cost
3- 6-20	criteria
4-10-24	goal
7-13-28	conflict
8-14-30	choice
12-17-33	compromise
23-40-48	alternatives
26-35-43	trade-off
31-37-51	social decision
38-45-55	security
36-44-54	resources
22-42-57	interest

### EVALUATION CENTER

#### Directions

Collect the work you have completed in this center. Put it all together. Staple. Write a brief summary of the center. In the summary describe your favorite activities. Place the summary in the completed work basket.



TOUR OF THE CHOCOLATE FACTORY

## LESSON FIVE

### "Less and More"

OBJECTIVES: Students will be able to:

1. Cite examples of producing more output with the same inputs.
2. Cite examples of producing the same output with fewer inputs.
3. Outline the advantages and disadvantages of various methods of increasing productivity.
4. Apply the decision-making process to a problem involving the advantages and disadvantages of increasing productivity.

### VOCABULARY:

1. Productivity - The ratio of output to the input of resources; commonly used to refer to output per man-hour; a description of how well producers use resources.
2. Output - Production; the goods and/or services which are produced; the amounts produced.
3. Input - The resources used in a production process.
4. Conservation - The planned management of resources to prevent destruction, neglect or unwise usage.
5. Inflation - A relatively large increase in the general price level.
6. Policy - A definite course or method or action selected from among alternatives and in light of given conditions to guide and determine present and future decisions.
7. Severance pay - An insurance program whereby a specified amount of money is paid to an employee at the time he/she is laid off by an employer who carries such a program.
8. Social insurance - Insurance under government operation or sponsorship against economic hazards that affect the public welfare.
9. Workman's compensation - Insurance against damages arising from injury to employees of insured employers; protection for workmen against loss resulting from accidents and disease connected with their jobs.

12. Unemployment insurance - Insurance to provide economic security when a worker loses his job for a limited time and needs financial help in order to make an adjustment.
11. Social security- A U.S. government program established in 1935 to provide certain benefits for the economic security and social welfare of the individual and his/her family, some elements of the program are old-age and survivor's insurance and assistance for elderly.
12. Fixed income - An income which remains relatively the same over a period of time.
13. Retirement - Withdrawal from one's position or occupation.

#### PRE-VIEWING ACTIVITIES:

##### 1. How Can We Do It Better?

Instruct students to have a piece of paper and a pencil on their desk. Have the students listen as you read a poem. Tell students that you are going to reread the poem and this time they are to write the poem as you read it. Inform the class that you will not repeat any words and that you will be recording the poem on a tape recorder as you read. Upon completion have students mark where they finished writing. Ask a few students to report to the class where they stopped writing.

Play the tape recording of the poem back to the class. Ask, "Which method of obtaining a 'copy' of the poem resulted in the 'better' final product?" Elicit ideas as to situations when the use of a tape recorder might be desirable.

Ask students to relate some advantages a tape recorder might offer to a business or office. Have students describe some potential disadvantages of using a tape recorder such as jobs it might replace, mechanical problems, etc.

##### 2. Getting Work Done Faster

Explain to the class that you have several pages of arithmetic problems which you need copied. Show the class the pages from a supplementary textbook or a workbook. Explain that you need a copy of each page for every student and have decided to take some class time for each person to take the responsibility for producing enough copies of one page. Point out a large stack of paper and sharpened pencils on your desktop.

Elicit comments concerning how students feel about making copies. Ask, "How long do you think it will take to complete this assignment? Are there any ways to produce these products more efficiently?" If students do not think of other techniques, elicit the possible use of ditto masters and a duplicating machine. Ask, "Which method, copying by hand or using a duplicating machine, would result in the final products being completed in less time?" Explain that producing the same amount of products or output in less time is one example of productivity.

(The teacher may want to experiment and actually compare the amount of time needed to produce the required number of copies of two of the pages by having one student copy one page by hand and another student making a ditto master of another page and running it off on the duplicating machine with the teacher's assistance. If this experimentation activity is undertaken, the teacher should ask, "Does using a duplicating machine require any skills not needed by people copying by hand? Where or how would a person learn those skills?")

### 3. Analyze the Use of a Machine

Divide the class into groups of four or five students each. Give each group a picture of a machine which has resulted in increased productivity in some economic activity. (Good, easy to find examples might include a sewing machine, tractor, typewriter, microwave oven, automobile or truck, computer, electric food mixer, etc.)

Each group is to consider the following questions:

1. What types of businesses might use the pictured items?
2. How was the work done by the pictured item accomplished before its invention?
3. Why do businesses now use the pictured item?  
(How does the item result in more output with the same or less input?)

A spokesperson for each group then reports the group's conclusions to the entire class.

Encourage pupils to bring pictures of other examples to class for display on a bulletin board entitled "More with Less." The display might include pictures with descriptions of how each pictured item increases productivity in some economic activity.



#### 4. Firing a Worker

Explain that each student is to pretend that he/she is manager of a small business employing about ten workers. Each worker has been with the business three or more years and, being a small firm, the manager knows each worker quite well. Recent changes in the business now make it possible to do the same amount of work with fewer workers. You, as manager, have decided to "lay off" one worker.

Each student is to write a paragraph describing how he/she feels about firing the worker. Allow several students to read their paragraphs to the class. After several paragraphs have been read, encourage students to draw generalizations as to how most of the class "managers" felt about firing the worker. Have students keep their work for use after viewing the film.

After viewing the film ask students to silently reread their paragraphs. Ask if anyone has changed his or her thinking on the matter of firing an employee. Generate a short discussion concerning any new ideas or feelings class members may have. Ask, "Why do you think your ideas or feelings may have changed?"

#### 5. Miraculous Machines

With student responses develop a list of machines used in a modern kitchen. After a listing of a dozen or more, have students analyze what each machine replaced and why the machine is now used. Encourage students to categorize these technological advancements as either labor-saving, resource saving or both. For example,

<u>Labor-Saving</u>	<u>Resource-Saving</u>
1. Microwave oven,	1. Vegetable Peeler
2. Etc.	2. Etc.

#### POST-VIEWING ACTIVITIES:

##### 1. Situation Cards

Divide<sup>d</sup> the class into five groups. Give each group a situation card and explain that the group is to read the card, answer the question on the card and as a group compose responses to these three questions..

- How was productivity increased?
- What resources were saved or used more efficiently?
- What were the advantages and disadvantages of increasing productivity?

After ample time to complete the activity, a spokesperson for each group reads the situation and group responses to the entire class. Allow students not in an original group to make further suggestions.

#### Situation #1

In a department store each salesperson is assigned to a certain area. During the slow seasons after they have placed all items on the sales tables, they have little to do. Most of the time between the hours of 6 to 9 p.m. they stand around doing nothing. What would you suggest to increase productivity of the salespeople?

#### Situation #2

The teacher with a class of 35 students gave a test. Now she must grade the papers, record the grades and return the tests to the students. It usually takes the teacher three days to get the papers returned. What method or methods would you suggest to improve the productivity of the teacher without receiving any help from outside the classroom?

#### Situation #3

Five of the teachers who teach at Blue Hill Middle School live in the same neighborhood, about five miles from the school. All leave for school and return home at about the same time. What would you suggest to get the same output with fewer inputs?

#### Situation #4

Six persons work in the business office of a large grocery store chain. They all have separate jobs to perform. However, one person can not complete his/her task unless others keep him/her supplied with work. For example, Bessie, Bobby and Tim are having a problem. Bessie and Bobby receive and record bills that come into the business. Tom is in charge of paying the bills. When Bessie and Bobby get behind in their work, Tom usually has nothing to do while waiting for them to get the bills to him for payment. What would you do to increase the output of work in this office using the three people involved?

#### Situation #5

John Mays is an efficiency expert. He keeps an accurate record of the time it takes an employee to do a specific task. He then recommends changes which would allow the employee to perform the task more efficiently.

In studying a worker assembling nuts and bolts he determined the following data:

<u>Task</u>	<u>Time in Seconds</u>
obtain bolt from bin	4 3/10
obtain washer from bin	5 1/2
position washer on bolt	2 3/10
obtain nut from bin	3 2/5
assemble nut on bolt	4 1/2

What might Mr. Mays recommend to save time in assembling nuts and bolts?

## 2. Is Productivity Related to Income?

Use the following incident to initiate a discussion to illustrate how productivity can be related to a person's income.

The New York Yankees in midsummer of 1978 were considered out of the race for the American League baseball pennant. This fact, among others, prompted the owner to terminate the Yankee manager.

The owner then hired a new manager who inspired the team to play better. The team won the American League pennant and then the World Series.

Even though the manager wasn't a part of the team the entire season, he managed to get better production (as measured by games won). Should he receive the same amount of playoff and World Series money as members who were with the team the entire season? Why or why not?

The class could use a decision-making grid to facilitate reasoned thinking on the question and various options of determining the money to be received by the manager.

## 3. Dramatizing Options

If students work with the decision-making grid for the lesson suggested in the AIT teacher's guide, after they have listed alternative solutions for the problem posed in the film lesson have groups of students dramatize the options. Instruct groups to be sure to bring out the possible feelings of the characters in each proposed alternative.

## 4. Innovations

To reinforce the fact that the invention of machines and technology have resulted in increased productivity in our society,

show the film "Innovation" from the American Enterprise series. (Available on a free-loan basis from Modern Talking Pictures Service, 2323 New Hyde Park Road, New Hyde Park, New York, 11042.)

Before film viewing instruct students to watch for inventions which resulted in increased productivity. As a follow-up to the film, students could select inventions depicted in the film and prepare short "research reports" for class presentation.

5. Invite an Executive to Class

Invite an executive (such as a manager or production engineer) from a local business or industry to speak to the class concerning how his firm has or will increase production. Suggest that, if possible, the resource person be prepared to describe specific examples and present data illustrating the increase in productivity.

Students or student teams might then interview people in other local businesses and industries on the topic of how they have increased productivity in their firms. The teacher may wish to emphasize that some firms reward employees who come up with ideas which increase productivity.

6. Uncle John's Chicken Shoppe (preferably done in groups of four or five students; see following materials)

BACKGROUND: I have just inherited Uncle John's Chicken Shoppe.

As I drive to Uncle John's former establishment, I notice that Superman's Fried Chicken is located across the street.

Superman's Fried Chicken is a modern establishment in comparison to Uncle John's. Superman's has counter service, curb service, and limited seating for those people who like dining inside. Uncle John's only provides counter service.

Uncle John's old customers tell me that Superman's Chicken doesn't compare in taste with my establishment, but the service at Superman's Chicken is fantastic. With all the industry in the area, a quick service restaurant is popular with people who have only thirty minutes to eat their lunch.

My uncle's last request was that I keep the same people working at the establishment until they are ready to retire.

EMPLOYEES:

- Martha - Uncle John's sister. She has arthritis, but can still handle the front counter. Age: seventy.
- Jim - The cook for the past thirty years. Age: sixty-five.
- Fred - Makes the salads, drinks, and boxes the chicken. Responsible for bringing orders to the cook. Age: twenty-five.

YOUR TASK:

1. Study the diagram on the next page. This diagram points out the location of the two fried-chicken firms and the amount of property owned by each establishment.
2. I have just hired you as consultants (people who give expert or professional advice) to improve the productivity of my business. Some things that I will expect you to tell me are:
  - A. What problem(s) does Uncle John's Chicken Shoppe have?
  - B. What advantages does Superman's Chicken have over my establishment?
  - C. What are the advantages that my establishment has over Superman's Fried Chicken?
  - D. What are your recommendations for increasing productivity at Uncle John's Chicken Shoppe?

Note: Remember the decision-making process when working with this problem.

SHOE FACTORY

FRED'S FLASHLIGHT FACTORY

CITY HALL

NIGHT CLUB

DEPARTMENT STORE

BARBER

BANK

BEAUTY SHOP

SUPERMAN'S FRIED CHICKEN  
Take-out window  
Counter

(No parking on Main Street)

MAIN STREET

CITY PARKING LOT

UNCLE JOHN'S CHICKEN SHOPPE  
Counter

RADIO STATION

DR. PAIN'S OFFICE

DRUG STORE

BIG ROCK CANDY FACTORY

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## 7. Economic Security

This lesson points out that our society has several methods for helping people who are out of work or, who are unable to work.

Divide the class into groups and assign each group one of the following topics to research.

- A. Severance pay
- B. Workmen's compensation
- C. Unemployment insurance
- D. Social security
- E. Individual retirement pensions (such as a company retirement plan)

Have each group brainstorm concerning potential sources of information on its topic. Encourage the use of both printed information and data obtained from personal interviews (the teacher may wish to have tape recorders available for recording interviews). Each group should come up with a "plan of action" for collecting information.

Once information has been obtained, each group develops a plan for presenting the data to the entire class. The teacher should meet with each group to evaluate its plan for presentation and, if necessary, provide additional suggestions. Encourage novel methods of information presentations.

After presentations are thoroughly prepared, they are presented to the entire class.

## LESSON SIX

### "Working Together"

OBJECTIVES: Students will be able to:

1. Summarize the advantages and disadvantages of specialization and division of labor.
2. Explain how specialization and division of labor increases productivity.
3. Evaluate the consequences of specialization in terms of specific goals.

VOCABULARY:

1. Specialization - The state when an economic unit (individual, business, region or country) produces a narrower range of goods and services than it consumers; the restriction of an individual to the mastery of a small, but often intricate, task in a much larger production effort; concentrating one's efforts in the production of a very limited variety of goods and/or services.
2. Specialist - A person who devotes himself/herself to a special occupation; one who concentrates his or her efforts.
3. Assembly line - An arrangement of machines, equipment and workers in which work passes from specialized operation to specialized operation in direct line until a product is assembled.
4. Division of labor - A method of production in which productive tasks are divided among workers so as to take advantage of the gains from worker specialization.
5. Advantage - A benefit resulting from some course of action.
6. Disadvantage - Loss, damage, or unfavorable condition resulting from some course of action.
7. System - An organized or established procedure; method; way of doing something.

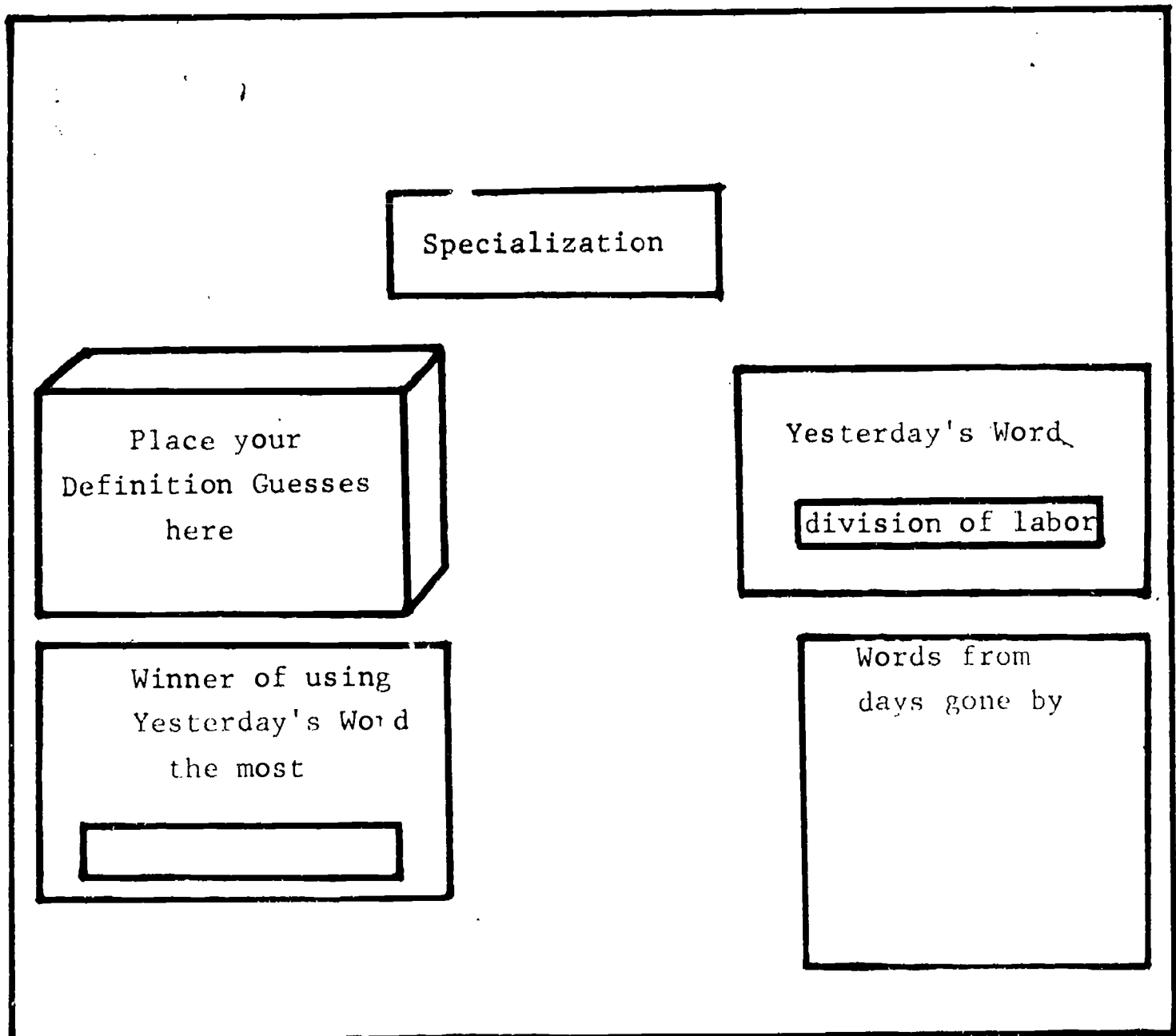




## 2. Word-of-the-Day

Select a major concept from the program and display the word. Have students write Definition Guesses. When the pocket is full or each student who wishes has submitted a definition, students compare their definitions with the dictionary definition or the definition used in the program to establish the correct meaning of the word. The previous day's word becomes the word for the "Use It the Most Contest." The child who uses this word the most during the day is considered the winner. The words are kept for review.

If this activity is made an on-going daily assignment, words from other Trade-offs programs can then be used.



### 3. Specialists

- A. In groups of three or four have students prepare a list of specialists who may have been involved in the production and distribution of their text books. Limit the activity to approximately five or ten minutes. Have students read the lists and justify their selections.
- B. In groups of three or four have students prepare a list of specialists they have personally encountered in the past twenty-four hours. Have students indicate whether each specialist provided a good, a service or both.

#### POST-VIEWING ACTIVITIES:

##### 1. Specialization in the School

Ask the students if they can name some areas of specialization in the school. As the students name the different areas, the teacher lists them down the left hand side of the board. After she has listed the named areas, she can ask the students what jobs these specialists perform. Then ask students if these people provide a good or a service. Also, ask what special equipment is needed for each to perform his or her job. The chart can be labeled as shown below.

The teacher may then wish to read a story or show pictures depicting a one-room schoolhouse of the past where the teacher was the teacher, secretary, janitor, etc. Ask, "What would school be like if people didn't specialize but instead each worker tried to do all the jobs listed in our chart?"

Areas of Specialization	Job Done	Good or Service	Special Equipment Used
Principal			
Teacher			
Aid			
Secretary			
Janitor			
Bus driver			
Lunchroom worker			
Librarian			

## 2. Vocabulary - "Mental" Resources

Think of these vocabulary words as "mental" resources that help you understand economic concepts - BIG IDEAS.

specialization	division of labor
profit	productivity
supply	demand
in-put	out-put
assembly line	interdependence
goods	services

Complete the paragraphs using the vocabulary words. Two of the terms will be used twice. Use the dictionary if you need help.

### AN ECONOMIC WONDER: SCHOOL LUNCHES

In our cafeteria there is a \_\_\_\_\_ of \_\_\_\_\_. The cafeteria workers have special job assignments. When food is served the workers form an \_\_\_\_\_. \_\_\_\_\_ increased the output of the workers. These workers provide both \_\_\_\_\_ and \_\_\_\_\_ for students.

The cafeteria resources are usually adequate. High delivery trucks bring quantities of food to be prepared. It is the responsibility of the lunchroom manager to determine the \_\_\_\_\_ of food needed to satisfy the \_\_\_\_\_ of students. More hot dogs and less boiled cabbage! The equipment increases the \_\_\_\_\_ of the cafeteria, but the \_\_\_\_\_ of time, energy and resources and the \_\_\_\_\_ of cooperative workers determine the kinds of lunches we receive. An \_\_\_\_\_ of good, nourishing food is the goal of the lunchroom manager. The cafeteria does not generally operate to make a \_\_\_\_\_ but to satisfy the unlimited wants of hungry students.

### Using Your "Mental" Resources

1. Write six original sentences using words from the vocabulary list. Try to use two words from the list in each sentence. It is possible to pair words on the left with those on the right.
2. Identify the specialists suggested in the reading.

3. The Envelope Factory (Taken from Workshop Leader's Handbook, Joint Council on Economic Education, New York, New York, 1978, pp. 70-71)

1. Make a pattern for envelopes by opening an envelope and tracing all its edges on a sheet of paper. (You will want several sheets to serve as patterns or templates prior to the beginning of production.) Ask, "Using this pattern, how would you make completed envelopes? What materials (resources) would you need?"
2. Demonstrate the production of an envelope, step by step.
  - A. Tracing
  - B. Cutting
  - C. Folding
  - D. Glueing
  - E. Design on back of envelope (Make several cardboard templates of a star, etc. which can be laid on the back side of the envelope and filled in with a magic marker. Participants may wish to create a design to be utilized.)
  - F. Packaging in sets of 10 (use a glued strip of paper to hold sets of 10 envelopes together).
3. Discuss alternative methods of organizing for production. Focus on the individual craftsman and specialization (division of labor).
4. To compare two different methods of production, have a few individuals be craftsmen who produce envelopes by themselves and set up several factories employing specialization/division of labor/assembly line. (Numbers of each will depend of the number of participants.)
5. Allow all groups and individuals a few minutes of discussion time to organize.
6. Produce envelopes for 10 minutes. Count completed envelopes for each production group. (Ask participants to leave incomplete envelopes where they are, as in the next round production will take up where it was stopped.) Record information on a chalkboard data retrieval chart such as the one illustrated below.

Production Unit Name	Number of Workers	Method of Producing	Number of Completed Envelopes	Envelopes Produced Per Worker

Compare results obtained from the different production groups.

## The Envelope Factory (continued)

7. Begin production for ten more minutes, taking up where the first round left off. Again compare results and discuss reasons for any production differences.
8. Explain that there will be one more production round of five minutes duration. Allow participants to alter their methods of production if they so desire. Explain any changes in production to the entire group. Produce for five more minutes and again compare results.
9. Debrief the activity focusing on (a) explaining any differences in productivity of different production groups and (b) comparing feelings of workers in different production groups. Ask, "What are some advantages of specializing? Disadvantages? What are some advantages of producing items by yourself? Disadvantages?"

### 4. How Did We Feel?

In the discussion following viewing of program six, students should analyze the feelings of workers who specialize, especially in an assembly line method of production.

If students experience the assembly of envelopes or a similar activity depicting division of labor and specialization the teacher can tape record discussion that goes on among the group during production. This tape could then be played back to the class and as components illustrating workers' feelings come up they can be written on the board.

The class discussion or analysis of the tape then serves as information input as groups of students develop plays or dramatizations which have the specific objective of illustrating workers' feelings. After plays or dramatizations have been developed they should be presented to the entire class. Following the presentation of each enactment, the students should analyze whether they think the presentation was realistic.

One or more workers who are employed in assembly line production could be invited to watch the presentations and then describe their feelings about the type of work in which they are engaged.

## 5. Field Trips: The Real World

Plan a field trip to a local industry to observe an assembly line. Before the trip, give students a copy of the questions to be considered. Suggest that students make notes of their observations. Students will be required to submit a written report the following day.

1. Does the company produce a completed product?
2. Are the products generally used by individuals or other industries?
3. Do employees appear to perform one specific job or a series of related tasks?
4. Is there any indication of waste or faulty production?
5. What capital goods are utilized?
6. Do employees appear to work independently or in groups?
7. Which tasks seemed most challenging?
8. Which tasks seemed most boring?

## 6. Specialization of Countries - Trade

World trade thrives on the uneven distribution of people, of their skills and knowledge, and of natural advantages such as resources. People do not move from country to country as easily as the goods they make. Every group finds something it can do better or cheaper than others, which it can trade for foreign products.

International specialization is always helpful. Even the most advanced nation cannot do everything, because her people do not have the time to handle completely all the things in which they excel.

Ask students to name goods for which certain countries have become well known, e.g. U.S. - computers, Denmark - dairy products, Canada - newsprint, Saudi Arabia - oil. Students may wish to do research on countries and develop a wall chart illustrating the specialties of various countries. They might also try to identify reasons these specific countries are good at producing certain things.

## LESSON SEVEN

### "Does It Pay?"

OBJECTIVES: Students should be able to:

1. Summarize the advantages and disadvantages of investment in capital goods.
2. Explain how investment in capital goods increases productivity.
3. Evaluate the consequences of investing in capital goods in terms of specific goals.

#### VOCABULARY:

1. Capital goods - Man-made resources used in the production of goods and services; buildings, tools, machines and other equipment used by workers in production.
2. Risk - Taking a chance; possibility of loss; hazard. Our economic system uses risk as a challenge and rewards the successful risk taker with a profit.
3. Invest - Use savings, or foregone consumption, for future benefits or advantages, in economics for the development of capital goods useful for future production of goods and services.
4. Income - The return received for applying our skills, efforts and resources to some productive purpose and being paid for it.
5. Savings - Income not spent but placed in financial institutions which transfer those resources to those who wish to buy capital goods; a diversion of productive resources from consumption into the creation of capital goods which make growth possible; that current income which individuals or businesses do not consume.
6. Guarantee - An assurance of the quality of or of the length of use to be expected from a product offered for sale, often with a promise of reimbursement or replacement.
7. Consequence - Something produced by a cause or a set of conditions; result.
8. Loan - Money or other resources given to other persons for their use with the expectation of receiving those resources or like resources back in addition to a payment for the privilege of using the borrowed resources.



- 9. Insurance - A plan for protecting property, person or life against unexpected risks or hazards. An insurance system exchanges a large uncertainty for a small and certain monetary outlay in the form of a premium.
- 10. Sacrifice - To give up one thing for another, e.g., opportunity cost is a sacrifice.
- 11. Borrow - To get something from another person with the understanding that it must be returned, often with an additional charge paid to the lender as a payment for the privilege of using the borrowed resources.
- 12. Employees - People who work for some person or business for pay.

PRE-VIEWING ACTIVITIES:

1. Tools and Technology (Taken from Workshop Leader's Handbook, Joint Council on Economic Education, New York, New York, 1978, pp. 73-74)

Distribute the "Computation Worksheet." Explain that each participant is to complete correctly as many of the computations as possible in a two (2) minute time period. Following the two-minute period find out which participant(s) correctly completed the most computations.

Answers to Computation Worksheet

1. 16,981	5. 104.7	9. 510.9
2. 13,041	6. 1,434,558	10. 32,674
3. 294.8	7. 33.6	
4. 487,974	8. 664,749	

You may wish to start a chart such as that shown below on the chalkboard.

Person

Computations Completed

8.

Ask participants to consider how they might have been able to complete more computations in the same period. One suggestion will probably be to use a calculator. Provide a simple hand calculator and give the participant who correctly completed the most computations a few minutes to practice on the calculator and ask questions concerning its use. Then give the participant another two (2) minute time limit and see how many computations can be completed. Make the following additions to the chalkboard chart.

<u>Person</u>	<u>Computations Completed (without calculator)</u>	<u>Computations Completed (with calculator)</u>

Introduce the terms "tool" and "technology." After examining how technology made the person doing computations more productive, ask participants to identify other examples of technology which have made people more productive.

## COMPUTATION WORKSHEET

Directions: Division computations should be rounded to the nearest tenth.

1. 
$$\begin{array}{r} 983 \\ 1,765 \\ 432 \\ 76 \\ 13,549 \\ + 176 \\ \hline \end{array}$$

2. 
$$\begin{array}{r} 483 \\ \hline \times 27 \end{array}$$

3.  $52 \overline{)15,331}$

4. 
$$\begin{array}{r} 501 \\ \hline \times 974 \end{array}$$

5.  $(282 \times 36) \div 97 =$

6. 
$$\begin{array}{r} 1,923 \\ \hline \times 746 \end{array}$$

7.  $28 \overline{)942}$

8.  $(2,796 \div 4) \times 951$

9.  $64 \overline{)32,698}$

10. 
$$\begin{array}{r} 1,922 \\ \hline \times 17 \end{array}$$

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2. How Many Staples Can You Remove?

Cover a strong piece of cardboard very thickly with staples. Choose one member of the class, preferably one with short fingernails, to work at a staple removing factory. Let the class time the worker and see how many staples he can remove from the cardboard in two minutes. Now give your worker a staple remover and see how many staples can be removed in two minutes using this tool. It should be more. Compare. Explain to the class that the staple remover is a capital good. Give them the definition of a capital good. Explain to the class that productivity and output can sometimes be improved by the introduction of a capital good.

3. Faster, Faster, Faster!!!

Select a group of about five students. Let them and the class pretend the group is working for the largest fine garment manufacturer in the world; everything here is hand sewn. Our group's job is to thread needles for the factory workers. Give the group a two minute time limit and see how many needles they can thread. Provide them with needles and sets of thread about one foot in length. Also, inform them that after the needle has been threaded the thread must be tied for it to count. You might need to show the students how to tie thread. After the two minutes see how many needles have been properly threaded. But, this is not enough. The demand for hand made garments has reached staggering proportions. There are more seamstresses and tailors being hired every day, our group just cannot provide enough threaded needles. Now give each of the workers a needle threader (can be purchased rather inexpensively at a cloth shop) and see how many needles they can thread. It should be more. Explain to the class that the needle threader is a capital good. Give them the definition of a capital good. Explain that output and productivity can sometimes be increased with the introduction of a capital good. Be sure to point out that the decision to invest in capital goods is often a hard one.

POST-VIEWING ACTIVITIES:

1. Picture Collection

Ask the students to bring in pictures of items which they have identified as capital goods. Have the class decide which items really can be considered a capital good and why? The pictures might then be used to make a mural or poster.

## 2. Vocabulary Card Activities

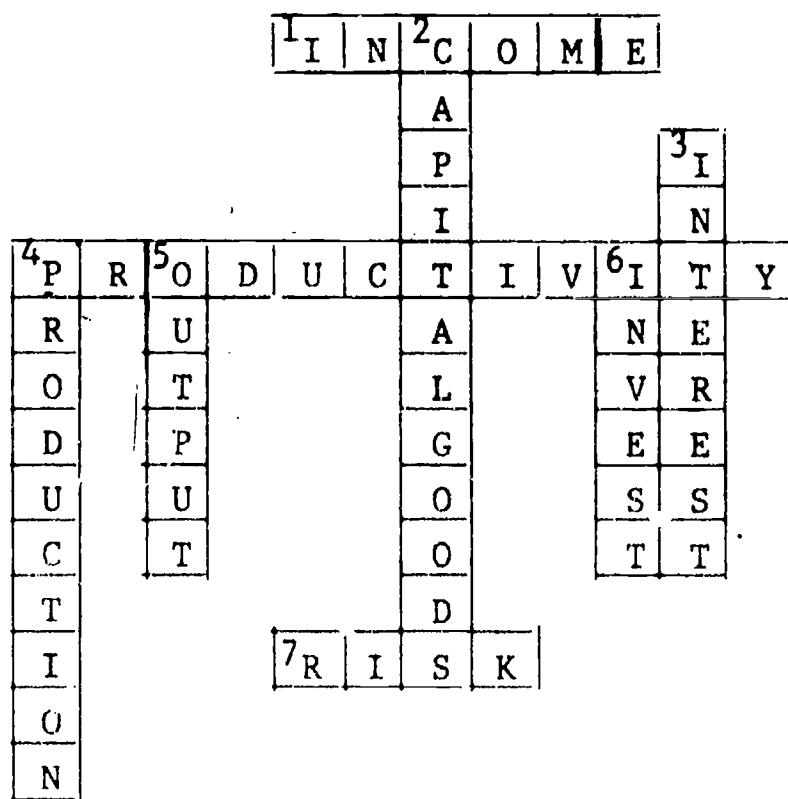
Make a set of vocabulary cards. Put the vocabulary word on one card and the definition of the word on another card. You may want to laminate the cards to preserve them.

INVEST	To put money to use by purchase or spending in something offering profitable returns
RISKS	Taking a chance; possibility of losing an investment
PRODUCTION	The manufacture of goods and/or services
CAPITAL GOODS	Buildings, tools, machines, and other equipment used by workers in production
OUTPUT	Amount produced in a given time
PRODUCTIVITY	Power to produce goods and services
INTEREST	Pre-determined amount of extra money given to a savings holder on his savings within a pre-determined time limit
INCOME	Returns received for producing goods and/or services

### Activities using the Vocabulary cards:

1. Shuffle the cards and have individuals or small groups match the word cards with the definition cards. You could also have a contest to see which groups could make the most matches within a given time limit.
2. Shuffle all cards and place them face down on a table. Let each person in the small group participating take turns choosing two cards and trying to make a match. Cards are kept by an individual when matches are made. If they miss cards are placed back in the same place. The individual with the most matches wins the game.
3. Let the students quiz each other by having one student hold up either a word or definition card with his partner supplying either the correct definition or word.
4. Clip the definition cards over the word cards. Flash the set to a small group of students. The first one who can supply the correct word can keep the two cards. The person with the most cards wins the game. If one student misses allow another to try. If none of the group can give the correct answer, unclip and reveal the word card underneath.

### 3. Capital Goods Crossword Puzzle



Clues:

ACROSS

1. Returns received for producing goods and/or services.
4. Power to produce goods and/or services.
7. Taking a chance; possibility of losing an investment.

DOWN

2. Buildings, tools machines, and other equipment used by workers in production.
3. Pre-determined amount of extra money given to a savings holder on his savings within and during a specific time period.
4. The manufacture of goods and services.
5. Amount produced in a given time.
6. To put money to use by purchasing or spending in something offering profitable returns.

You may want to include a list of the words with the puzzle. However, this would be entirely optional. This activity could be used before or after work with the vocabulary cards, depending on the level of the students.

4. Making Widgets (Idea adapted from Teaching Social Studies in the Elementary School, Macmillan Publishing Company, 1974.)

- A. Demonstrate the making of a widget for the class.
  1. Neatly stack three sheets of plain ditto paper (8 1/2" x 11").
  2. Mark three dots along one side of the paper. From either end, put a dot at 1 1/2", 5 1/2", 9 1/2".
  3. With a one-hole, hand paper punch, punch a hole at each of the three dots.
  4. Slip a paper clip through the middle hole to hold the widget sheets together.
  5. For decoration, draw a star around each of the other holes.
- B. Ask the class to determine what they think might be the most effective method for producing widgets. Most likely they will suggest specialization. Select 4 participants to do the different specialized tasks

at a table at the front of the room on which there are some pencils, a box of paper clips, a one-hole paper punch and a stack of ditto paper. Explain that the production or assembly line is to produce as many quality widgets in a two (2) minute time period as possible. Begin production. After the two minutes, count the completed widgets and complete the following chart on the chalkboard.

<u>Workers on Production Line</u>	<u>Method of Production</u>	<u>Widgets Completed/ Two Minutes</u>

- C. Ask students to suggest capital goods which might increase productivity. Many suggestions may be given; one very likely suggestion is the use of a three hole paper punch. Provide a three hole punch to the production line. Have the class reanalyze the production of widgets with this new technology. Using the same number of laborers produce widgets with the new technology for the same two (2) minute time period. Record data on the chalkboard chart.
- D. Examine and discuss data in the chart. Some sample questions for discussion might include.
1. What effect(s) did the addition of new technology add to the productivity of the production line?
  2. What happens to workers who lose their job due to the introduction of new tools and technology?

##### 5. Solving Problems

Let's use our imagination for a while. On the following cards four real experiences to increase productivity are given. After a situation and a problem are given, a decision must be made. I want you to imagine that you are the person in control of the situation. Based on the information that you are given, you make what you feel is the best decision. Use one sheet of paper to write your decision and the benefits and costs of your decision. After you finish writing your paper, you may use the solution card to see what happened in the real situation.



## SITUATION - BUILDER

Now you must pretend that you are a builder. After reading the situation and problem, write one page discussing how you would solve the problem including the benefits and costs of your solution.

**Situation:** Your group does light construction work; You have seven employees. They're good workers who know their jobs and care about the quality of work they do.

**Problem:** You have to improve the group's productivity. Your customers are complaining that jobs aren't getting done on time. Your workers are discouraged. They say they can't finish on schedule, because they waste so much time looking around the work site for the tools they share.

**You Decide:** Should you tell your workers they just have to look harder and find the tools they need faster? Is there a new tool for finding tools? What about some way to rearrange things at the work site so tools don't get misplaced? After you have written your paper, you may read what happened.

## SITUATION - TAXPAYER

Now pretend you are a taxpayer. After reading the situation and problem, write one page discussing how you would solve the problem including the benefits and costs of your solution.

**Situation:** Your small town operates its own waste collection truck. You've watched the truck stop outside your house, and you think the collectors are good, steady workers. But they're not keeping up with the work load. Now your town officials say taxes have to go up to pay for an additional truck and collection team. There's no commercial carting service near enough to do the job.

**Problem:** You don't want to pay additional taxes. You believe there must be a way to increase the productivity of the present truck enough to avoid having to get another.

**You Decide:** Can you work out productivity pay increases for the collectors so they'll work faster? Is there some inexpensive new tool that could be added to the truck to make it work better? Maybe you can find a way to rearrange the work so it can be done on time. After you have written your paper, you may read what happened.

## SITUATION - SUPERMARKET OWNER

Now pretend that you are a supermarket owner. After reading the situation and problem, write one page discussing how you would solve the problem including the benefits and costs of your solution.

**Situation:** You own a chain of supermarkets. A company wants you to buy their fully automated distribution system. The system includes 67 vending machines designed to handle 2500 different items ranging from canned and bottled goods to frozen foods. All your customers have to do is put a special plastic card into a machine and then push buttons for the things they want. They wouldn't have to handle anything. In fact, with the new system they could not. When your customers finish shopping, they just put the plastic card in another machine which figures out their bill. With this system, the only workers you need are warehouse people and cashiers.

**Problem:** While the new system will reduce the number of employees you need, it's expensive. More important, you're not sure if it will give you a productivity increase.

**You Decide:** The new tool sounds great. Do you adopt the totally automated system? Or will the costs outweigh the benefits? After you have written your paper, you may read what happened on the following card.

## SITUATION - CITY TRAFFIC ENGINEER

For this activity I want you to pretend that you are a City Traffic Engineer. After you read the situation and problem, I want you to write one page discussing how you would solve the problem including the benefits and costs of your solution.

**Situation:** The only way motorists can enter and leave your city is by bridges. All the bridges have toll booths. There are booths for the inbound lanes and booths for the outbound lanes. Your job is to keep traffic moving through them smoothly.

**Problem:** During rush hours, traffic backs up in both directions on all the bridges. People have to slow down to pay their tolls. Your problem is to get a productivity increase by moving the traffic through the toll booths faster. You have to reduce delay without adding to the cost of operating the booths. The price of the tolls is the same on all of the

bridges, coming and going.

You Decide: Can you get the toll collectors to work faster? Should you try to find a new tool: for instance, automate the booths? Can you rearrange the work somehow? After you have written your paper, you may look on the following card.

#### SOLUTION - BUILDER

What Happened: You decided to invent a new tool for finding tools. Your idea would also rearrange the way your workers share tools at the work site. You fitted the back of your pick-up truck with every kind of tool your workers use. You painted the shape of each tool on the pegboard where it belonged. And you labeled the painted shape with the name of the tool in a bright color.

Benefits and Costs: Your invention did the trick. Your workers were delighted to be able to find the tools they needed so fast and easily. And for that reason they were careful about always putting each tool back where it belonged. Morale went up. Jobs got done on time. And to everyone's benefit, some jobs got done ahead of time. But what did it cost you to tie up your pick-up truck that way?

#### SOLUTION - TAXPAYER

What happened: You suggested a rearrangement in the collection process. You decided the problem was that the truck had to stop at each house. You suggested that one collector arrive well ahead of the truck and drag the barrels out to the curb. That way, other collectors coming with the truck could easily empty the barrels into the truck without the truck's having to stop. It could just keep rolling slowly forward. Another collector coming along afterward could put the empty barrels back.

Benefits and Costs: The town tried your idea and you were right. The new arrangement saved a lot of time. Enough so that a second truck wasn't needed. And that saved you from having to pay higher taxes. But what about the collectors? Did the new arrangement make the collectors' jobs harder?

## SOLUTION - SUPERMARKET OWNER

What happened: You bought the equipment for \$2.6 million. You expected average sales of \$4500 per day. But you got only \$900 per day. Your customers complained that they couldn't touch and examine the goods through glass windows. They missed the personal service usually given by the dairy, meat and produce workers you fired when you put the system in. You lost money on the system and finally removed it.

Benefits and Costs: The cost-saving benefits of the system were certainly there, but why didn't you check your customers first before making the change? Would the change have worked if you had prepared your customers for it? Would they have liked it better if you had dropped prices a little during the get-acquainted period?

## SOLUTION - CITY TRAFFIC ENGINEER

What happened: You rearranged the way your toll system worked. You discovered that just about everybody driving into the city eventually came out again, usually the same day. So you charged them twice as much to go in and nothing to come out.

Benefits and Costs: Your change was a tremendous success. It eliminated half of the waiting time for all those drivers every day. They had to stop for the toll collection on the way in but not on the way out. And you actually saved the city money too. You didn't need half the toll collectors anymore. But what did you do about getting them other jobs?

### 6. Make a Pair

Mount pictures illustrating capital goods (cut from magazines, newspapers, etc.) on sheets of construction paper. For each capital good in the set have a matching sheet of construction paper on which is mounted a finished product made by the use of the capital good. Students then use the cards to make matching pairs.

## LESSON EIGHT

### "Learning and Earning"

OBJECTIVES: Students will be able to:

1. Summarize the advantages and disadvantages of investment in human capital.
2. Explain how investment in human capital improves productivity.
3. Evaluate the consequences of investing in human capital in terms of specific goals.

### VOCABULARY:

1. Knowledge - The range of one's information or understanding; the sum of what a person knows.
2. Skills - A learned power of doing a thing effectively; the ability to use one's knowledge effectively and readily in performing a task.
3. Course - An organized plan of study or work to provide a person with certain knowledge or skills.
4. Training - The act of teaching someone to be fitted or competent for a certain task; instruction aimed at making a person prepared for a specific job or assignment.
5. Tuition - The price or payment for receiving instruction or training.
6. Supervisor - A person put in charge of monitoring or overseeing the work of others.
7. Application - A form used in making a request, e.g., a form a person might fill out to request work from an employer.
8. Money order - An order issued by a post office, bank, telegraph office, or certain businesses for payment of a specified sum of money at another office.
9. Competition - Economic activity is competitive if there are no limitations on entry into it and exit from it, apart from the usual requirement that the participants be prepared to pay for the tools and knowledge required to succeed in that activity; rivalry between two or more persons or businesses.

10. Luxuries - Comforts of life beyond what are really necessary.
11. Bankrupt - A state of not being able to pay one's debts or bills when they are due. The person to whom the debts are owed then can seek relief through the court system. If the owing person or firm, when confronted with a court order to pay the debtors still cannot do so, the person or firm is then legally in bankruptcy.
12. Human capital - People and their physical and mental capacities; investment in the education and training of workers.

#### PRE-VIEWING ACTIVITIES:

##### 1. Soap Sculpture

The day before this activity is started, tell the students to bring bath-size bars of soap to class. Have a completed sculpture of an object on display in the classroom. Provide carving materials obtained from the school art teacher. Tell each student to carve an object of his or her choice using the soap.

Upon completion of this activity, have students display their soap sculptures. Through questioning, help students notice that some soap sculptures are of better quality than others. The teacher may, at this point, point out that people have special and different talents. Some students (maybe only one or two) may have more artistic talent than others.

Point out that people should develop their talents. Ask the following questions:

1. If a person has an artistic flair, should he develop that talent?
2. How can one develop and/or enhance this talent?
3. Should this person seek more instruction after high school? Where might he/she obtain this instruction?
4. How might advanced art instruction be of benefit to an individual?

##### 2. Interviewing a Career Worker

Each student is to interview one worker from each of two careers of his/her choice. The reports to be shared with the class should include the following data:

- a. What special skills do you need to be successful at your work?
- b. How (and/or where) did you obtain those skills?

If the teacher does not wish to have individual reports, students can develop information cards for each career. Each card would also contain the above data. Cards can be organized in a "career file."

Students might continue to add to the file during the school year. The teacher might suggest that each student add cards for the one or two careers in which he or she is most interested.

3. What Will It Take?

Explain to the class that you have several long letters which must be typed and ready to go in the mail within the next hour. Since the letters are going to very important people, they must be extremely neat and typed without mistakes. Ask, "Is there anyone in our class who could do this in this amount of time?" If not, ask, "What would it take for you to be able to complete this task?"

POST-VIEWING ACTIVITIES

1. What's The Connection?

Provide local newspaper want-ads (specifically the "Help Wanted" section). Students are to analyze ads to find specific examples where required training/education and salary are both mentioned. Examples are to be cut out and pasted at the top of a sheet of blank white paper. Below the ads, students complete the following chart.

JOB	REQUIREMENTS	SALARY

Ask students to write a statement which describes the relationship between the training or education required for a job and the salary offered to the worker below the completed chart.

2. Cookies or Cakes?

Mary and Amy enjoy cooking, especially sweet things that look pretty and taste good.

They sell their homemade cookies at a local bazaar which has a sale every other Saturday. For the privilege of selling their cookies here, they have to pay 10¢ out of

every dollar they earn. (The amount charged is figured on the nearest dollar of earnings.) They usually sell about \$15.00 worth of cookies. It costs them \$9.00 to buy ingredients for the cookies. Their profit is the amount they take in minus their expenses.

One day Amy's mother saw an ad in the paper about a cake decorating and baking course being offered in the community. The cost of the course was \$10.00 per person. It would last for 8 Saturdays. Amy's mother was going; she asked the girls if they wanted to participate. This posed a problem for the girls because they would miss four of their bazaar days and would sell no cookies on those days. However, if they took this course they would probably be able to make and sell four cakes each time instead of their usual cookies. Mary's mother said they could make a cake for about \$3.50 and sell it for \$6.00. They would also have to pay 10¢ out of each dollar to the club for the privilege of using the bazaar space.

Review the girls' problem. Decide what you think would be best for them to do.

#### THINGS TO CONSIDER IN MAKING YOUR DECISION

1. How much do the girls usually make selling cookies on Saturday? \_\_\_\_\_
2. How much do the cookies cost them? \_\_\_\_\_
3. How much must they pay the club? \_\_\_\_\_
4. What is their profit? \_\_\_\_\_
5. If they take the course, what will they take in by selling four cakes? \_\_\_\_\_
6. How much must they pay the club? \_\_\_\_\_
7. How much will the four cakes cost them? \_\_\_\_\_
8. What is their profit? \_\_\_\_\_
9. What is the difference in profit if they sell cakes instead of cookies? \_\_\_\_\_
10. What will it cost them to take the course? \_\_\_\_\_
11. How much will they lose in earnings in four Saturdays? \_\_\_\_\_
12. How many Saturdays will it take to make up for lost profit for four Saturdays plus the cost of the course? \_\_\_\_\_

### 3. Wise Shopping

Mary and Amy (from Activity 2) decided to see if they could increase their profit by investing some time in studying the ads of the three food stores near them. They decided to buy the ingredients in package sizes that would be the most economical.

Help them make choices among the following:



- |                                |        |                   |
|--------------------------------|--------|-------------------|
| A. Flour: 5 lbs. -             | .79¢   |                   |
| 10 lbs. -                      | \$1.49 | Your choice _____ |
| B. Chocolate chips: 16 oz. -   | \$2.29 |                   |
| 4 oz. -                        | .49¢   | Your choice _____ |
| C. Vanilla: Brand A, 2 oz. for | 89¢    |                   |
| Brand B, 3 oz. for             | \$1.40 | Your choice _____ |
| D. Butter: 18 oz. -            | \$1.50 |                   |
| 6 oz. -                        | .60¢   | Your choice _____ |

#### 4. Applying For A Job

Obtain multiple copies of an employment application form from a local factory or business. (You may wish to explain how it is going to be used.)

Hand out a copy of the form to each student and carefully go over each item of requested information through questioning. Sample questions for requested information on most applications would include:

- A. Why do they want to know your social security number? Where and how do you get a social security number?
- B. Why might they want to know about any physical handicaps a person may have?
- C. Of what importance is a person's educational record?
- D. What use might an employer make of information you record under the heading "Character References"?
- E. Why would an employer want to know about your past work experiences?

After discussion of what the employer has included on the application form, ask students to comment on the importance of the application being completed neatly and in legible handwriting.

Allow time for students to fill in the application form. After looking over completed forms, the teacher may wish to make general or individual comments concerning how well the task was completed.

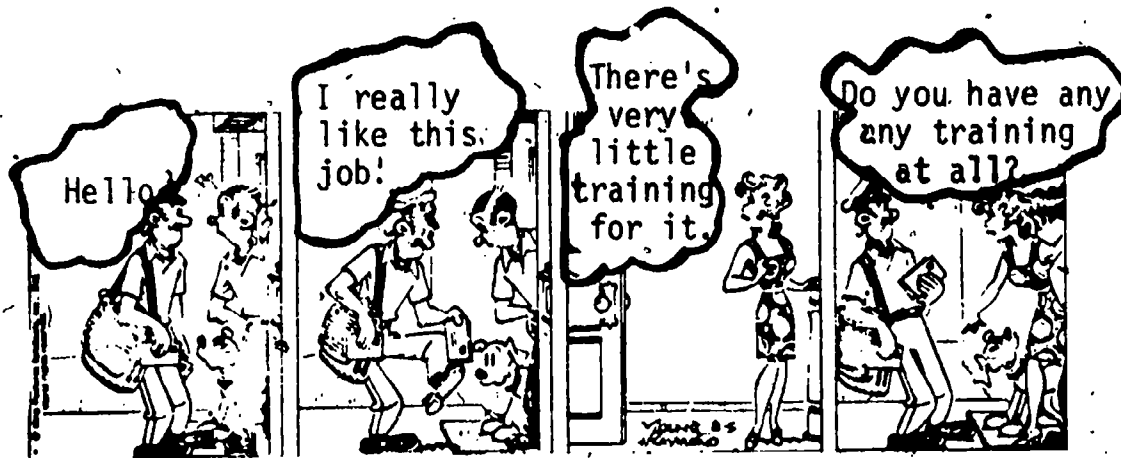
#### 5. ECONO-STRIPS

Provide each student with several cartoon strips from the local newspaper. Have students cut out the balloons (blocks of conversation) and then paste the cartoon strip on a sheet of white paper (9 1/2" by 11"). Using magic markers, students then fill in the balloons depicting the conversations of the cartoon characters using the economic concept. Combine completed cartoons

in a class cartoon book entitled, "Investment in Human Capital."

Another option would be to put the cartoons on a bulletin board.

Example:



#### 6. Preparing for Work

Plan a field trip to a technical school or vocational department of the local comprehensive high school. Have students observe the classes that prepare students for specific kinds of work. After the field trip have students pantomime the different kinds of work. Discuss the need for training when one specializes.

#### 7. Solving Problems

Divide the class into two groups. Present each group with one of the following situations. Each group is to:

1. State the problem and examine alternatives.
2. List criteria by which to evaluate the alternatives.
3. Analyze the advantages and disadvantages of each alternative.
4. Arrive at a consensus decision.
5. Explain to the other group the situation, their decision, and how and why they arrive at that decision.

#### Situation A

For our yearly trip to Atlanta, the Y-Club is faced with the same problem again this year--MONEY. A bake sale was decided on to raise money.

You have been put in charge of managing production

of the cakes, pies, cookies and bread. You have a problem. Your good friend, Mary Ann, wants to do the baking. She has limited experience in a kitchen and does love to nibble on hot cookies and other sweets. Mary Ann has no established fee.

Mrs. Shimski, the school cafeteria manager, also wants the cooking job. Mrs. Shimski is an excellent cook but her services are not free; she will charge 20% of your gross sales to pay for her services.

#### Situation B

Joe, an eighthgrade student, finds he has passed French, but he has earned a grade of D which is not satisfactory to Joe or his parents. Mrs. Jacobs, the French teacher, suggests to Joe that he take a review course in French during the summer. The course could give Joe a much stronger background in French. Joe had planned to work at the supermarket during the summer and earn money towards his college education.

After the two groups have related their decisions, ask, "Can every choice be measured in terms of money value?"

#### 8. Sex Discrimination in Work

Through the examination and analysis of pictures illustrating careers which have been traditionally male and female dominated, the class can explore the concept of sex discrimination in various occupations.

## LESSON NINE

### "Why Money?"

OBJECTIVES: Students will be able to:

1. Cite examples of exchange and describe the ways both parties expect to benefit.
2. Explain how the use of money facilitates exchange.
3. List two forms of money used today, pointing out the advantages and disadvantages of each.

### VOCABULARY:

1. Trade - Exchange of goods or services; the business of exchanging goods and/or services.
2. Money - Anything generally acceptable in exchange for goods or services or as a means of paying debt.
3. Barter - The direct exchange of goods and services; to exchange one good or service for another good or service.
4. Exchange - The act of giving or taking one thing in return for another; trade.
5. Acceptability - A state of being received with consent; the quality of being readily received or taken.
6. Convenience - Ease; freedom from discomfort.
7. Currency - Paper money (Federal Reserve notes in denominations from \$1 to \$10,000) and coins.
8. Checks - A written order by a depositor of a commercial bank directing the bank to pay the person to whom the check is addressed a given amount of money. The person's money deposited in a bank checking account is also called a demand deposit.
9. Account - A sum of money deposited in a bank and subject to withdrawal by the depositor; a statement of a bank depositor's transactions (deposits, withdrawals, etc.).
10. Credit card - A card authorizing purchases up to a specified amount, for which the credit card holder will later make payment which may include a fee for the privilege of buying before making payment (in essence, an interest charge on money borrowed to make payment of the purchase before the buyer reimburses the credit card company); also known as a charge card.

11. Bank deposit - Sum of money in an account (checking or saving) in a financial institution; the act of putting money in an account.
12. Identification - Evidence that someone actually is the person he or she claims to be.

PRE-VIEWING ACTIVITIES:

1. Barter Fair

The day before the Barter Fair, the teacher explains to the class that tomorrow the students should bring an item with a value of no more than fifty cents (50¢) to class. Examples of items might include candy, trading cards, pens or pencils, notebooks, etc. On the day of the Barter Fair, the students share with the class the items they want to exchange. These can be listed on the board.

The teacher starts the Fair and students go about exchanging to get the items they want in a predetermined time period. When time is up, the students stop their exchanges and form a group for discussion. Some questions to guide the discussion include:

- A. Did anyone exchange only once to get what they wanted? Describe what happened.
- B. Did anyone have to make several exchanges in order to get what they wanted? Was this difficult? What problems did you encounter?
- C. What would make these exchanges easier?
- D. How does our economy handle the exchanging process?

2. Country Without Money (Taken from Strategies for Teaching Economics - Intermediate Level, Joint Council on Economic Education, New York, New York, 1978, p. 52.)

The teacher tells the class, "We live in a country where people use money to buy whatever they want and can afford. Suppose Merlin the Magician cast a spell on the whole country - he made all our money disappear. Now there were no pennies, no nickels, no dimes or quarters, and no dollars either! What do you think will happen?"

Allow time for students to think of how they would deal with this situation in their daily lives. How would they get food for dinner? How would they get the clothes they want?, etc.

After students have described a trading economy, label and introduce the concept of "barter economy."

### 3. Trading for Goods

Students of this age group often collect items and then trade or barter with one another to obtain missing parts of their collections. Have students make a list of items they have obtained through trading (e.g., baseball cards, paper-back books, clothing, games, etc.). Ask, "Is there any other way you could have obtained these items without having to give up a good of your own?"

#### POST-VIEWING ACTIVITIES:

##### 1. Individualized Instruction - The How's and Why's of Money

The following materials may be typed on stencils for student use:

###### I. What Is Money?

When you buy a candy bar, you may pay for it with two dimes. The storekeeper knows that you will eat the candy, and that he never will be able to get it back from you. He also knows he cannot turn around and eat the coins you gave him. Why does he accept the coin from you in trade for the candy? The answer is that coins are money.

Money is anything which people agree to use to pay for goods, services, or debts. Money also measures the value, or worth, of things. The metal or paper used in making the money has little useful value itself. But people agree to use coins and paper bills as money because money is a convenient means of payment.

Money is used as a medium of exchange or a go-between in trade. A farmer sells his corn for money. He then uses the money to buy a tractor from a tractor dealership. In both cases, money is the thing being spent. Without money, there would be very little buying and selling. Some goods could be exchanged by barter or trading. You and a friend might swap a comic book for some marbles. But most people would find it impossible to barter for everything they need. So this is why we need money.

As you now already know, money is used as a medium of exchange or go-between in trade. Can you guess what kinds of money are in use in the United States? If you said paper money and coins, you are only partially correct. Paper money and coins are considered to be currency. There is a second kind of money that is used in the United States. Can you guess it? Demand deposits in commercial banks are the second type of money used in the United States. Demand deposits are the checking accounts people have in the bank which they can spend by writing checks.

Now, let's see if you have learned something about what money is. Try to answer the following questions without looking back for the answers. Good luck.

1. The metal or paper used in making money has:
  - a. a great value
  - b. little useful value
  - c. no value
2. What does medium of exchange mean?
  - a. Exchange something for medium
  - b. A go-between, in trade
  - c. Middle of exchange prices
3. The bartering system is another way of saying:
  - a. trading system
  - b. money system
  - c. banking system
4. Currency is made up of:
  - a. checks and money
  - b. coins and paper money
  - c. paper money only
5. When you hear demand deposit, what would you think of?
  - a. money system
  - b. currency
  - c. checking account

To see how well you did, look on the answer key to check your answers. If you got 4 out of 5 or 80% of these correct, let's continue. If not, go back and see why you missed more than one.

## II. How Is Money Created?

Did you know that in 1973, the money supply available for use in America consisted or was made up of \$57 billion in coins and paper money and \$198 billion in demand deposits? That means about 20% of the money supply is currency and about 80% is in demand deposits.

How is money created? Where does the money supply come from? Our coin money is made by the United States Mint and the paper money is printed and engraved at the Bureau of Engraving and Printing in Washington, D.C.

The responsibility for providing the nation with an increased supply of demand deposits rests with the commercial banks of this country. Banks create money by making loans to the public and by investing in government bonds and securities. Let's assume

you would like to buy a new motorcycle. Like most people, you probably would have to take out a loan to buy the motorcycle. The commercial bank would consider this a consumer loan. Consumer loans are made to people who wish to buy automobiles, motorcycles, televisions and other items. Another type of loan the commercial bank would make might be a real estate loan to people who wish to buy a new house or land. This same bank could also make loans to businessmen. Loans of this type would be called a commercial and industrial loan. Remember, when banks invest in government securities they are also "creating" money.

Let's see how much you've learned about a commercial bank's role in creating money. Below are some questions; see if you can answer them correctly.

1. Where is paper money printed?
2. Is coin money made there, also?
3. Match the following:
 

___ consumer loans	a. businessmen
___ real estate loans	b. land buyers
___ commercial loans	c. to buy an automobile, etc.
___ industrial loans	

Look at the answer key for the correct answers. If you missed any, look back and see why.

Answer key

I. What Is Money?

1. b
2. b
3. a
4. b
5. c

II. How Is Money Created?

1. U.S. Mint
2. no
3. c  
b  
a  
a

2. Money Bingo

Money is played like Bingo and follows the same rules as does Bingo.

Materials: 50 - 3" x 5" index cards  
5 to 20 - 6" x 5" game cards  
Cover chips



On each of the 50 3" x 5" index cards, write one of the vocabulary terms given for lessons 1-9, with emphasis on terms concerning money and banking, and its definition. The teacher may add others. On the front of the card write the letter M, O, N, E, or Y.

Each game card should vary slightly. An example of a Money card is shown:

M	O	N	E	Y
Insurance	Productivity	Tax	Currency	Output
Barter	Income	Demand Deposit	Savings Account	Opportunity
Medium of Exchange	Budget	Free	Invest	Warranty
Inflation	Interest	Risk	Trade-off	Social Security
Credit card	Sacrifice	Loan	Revenues	Checks

The teacher or leader shuffles the cards and begins to read the definition on the card and the column. For example: "N - Another term for checking accounts." The students must match the definition given with the correct term on their card under "N." The teacher should verify all winners' cards to be sure the definitions are correctly matched with the terms.

### 3. Posters on Forms of Money

After a short discussion on objects used as a medium of exchange and barter, have students make posters and displays showing some of the different commodities that were used as money in America and other societies making note of how it evolved as money in that society. (Information would be obtained from library reference books.)

### 4. Interviewing the Money People

Prepare a list of names of people that deal with money - bankers, brokers, coin collectors, accountants, etc. Divide the class into groups to conduct interviews.

Have each group select one person from the list you prepared. Arrange to have each group conduct a 10- to 15-minute tape recorded interview. Each group should prepare a list of questions prior to the interview. These can be listed on the board or on sheets of chart paper to share among the groups.

Plan a radio program format of 15 minutes each day for playing the tapes each group recorded. Each group should design their own format for the "broadcast."

This is a good exercise for career awareness.

### 5. Ranking Means of Exchange (Taken from Workshop Leader's Handbook, Joint Council on Economic Education, New York, New York, 1978, p. 85.)

Have the students list the various means of exchange (currency, checks, money order, coupons, electronic transfers, etc.). Write these on the board and discuss what each term means. Ask each student to rank these in descending order of general acceptability. Discuss why some means of exchange are more generally accepted than others.

Students could also conduct a survey with each pupil asking 3-5 adults to rank in order of acceptability a listing of various means of exchange. Survey results could then be tabulated. Students would then compare adult perceptions concerning the acceptability of different means of exchange with what they have learned in order to determine any possible citizen misperceptions.

6. Money Poetry

Arrange the class in small groups of three or four students. Ask them to try "money poetry" in two ways. The first way is to try to rewrite rhymes and limericks using money words as follows:

Jack and Jill went up the hill.  
To fetch a paper dollar.  
Jack came down with half the bill  
Jill had half a dollar.

The second way is to have each group write their own poems about money. These should be shared some way - on the bulletin board, on tape, in the class poetry book.

7. Financial Institution Survey Form (Taken from "Money, Banking and the Federal Reserve," Federal Reserve of Minneapolis.)

FINANCIAL INSTITUTION SURVEY FORM

Financial Institutions

<u>Services:</u>	<u>Bank</u>	<u>S&amp;L</u>	<u>Credit Union</u>	<u>Private Loan Co.</u>	<u>Other</u>
Savings Accounts (indicate interest rate(s))					
Checking Accounts					
Home Loans (indicate interest rate(s))					
Business Loans (indicate interest rate(s))					
Personal Loans (indicate interest rate(s))					
New & Used Auto Loans (indicate interest rate(s))					
Home Improvement Loans (indicate interest rate(s))					
Investment Adviser					
Trustee and/or Executor of Estate					
Traveler's Checks					
Foreign Money Exchange					
Drafts					
Cashier's Checks					
Wire Transfer of Funds					
Safe-Deposit Boxes					
Others (specify)					

Instructions:

Visit or phone one or all of the above financial institutions. Identify yourself as a student obtaining information for a school project. Explain that your project involves completing a survey form on services offered by financial institutions and that you'd also like to list interest rates paid and charged for savings accounts and loans.

8. Financial Transaction Survey Form (Taken from "Money, Banking and the Federal Reserve," Federal Reserve of Minneapolis.)

FINANCIAL TRANSACTION SURVEY FORM

Name \_\_\_\_\_

Section \_\_\_\_\_

The following questions should be asked of the head(s) of your household.\*

1. Do you have a checkbook? Yes \_\_\_\_\_ No \_\_\_\_\_
2. What percent of the household monthly bills are paid using cash? \_\_\_\_\_ %
3. What percent of the household monthly bills are paid by check? \_\_\_\_\_ %
4. How many credit cards do you possess? \_\_\_\_\_
5. What percent of the monthly household expenditures are charged using a credit card? \_\_\_\_\_ %
6. What percent of expenditures charged are eventually paid for by check? \_\_\_\_\_ %
7. Are you paid by having your checking and/or savings account electronically credited?  
Yes \_\_\_\_\_ No \_\_\_\_\_
8. List the items which are electronically deducted from your paycheck:
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
  - e. \_\_\_\_\_
  - f. \_\_\_\_\_

\*All questions that pertain to income ask for percentages instead of actual amounts in order to guarantee the respondent's privacy.

LEARNING CENTER - LESSON 9

"Why Money?"

by

Anita Fountain  
Lynn Lackey



## LESSON TEN

### "To Buy or Not to Buy"

OBJECTIVES: Students will be able to:

1. Outline the factors that influence how much of an item people will buy.
2. Predict how changes in the price of an item influence the amount that people will buy.
3. List at least two things that might change the amount of an item that people will buy at any given price.
4. Describe a demand graph and explain how it would change if people's incomes increased.

### VOCABULARY:

1. Market - A set of arrangements that enable buyers and sellers to exchange goods and/or services.
2. Market demand - Amounts of a good or services people are willing and able to buy at various prices.
3. Advertise - To call something to the attention of the public; to call public attention by emphasizing desirable qualities so as to arouse a desire to buy.
4. Substitute - Something that takes the place of another; a good or service bought to take the place of a similar good or service; a common substitute a buyer may choose is simply not to buy at all.
5. Market survey - A process by which buyers are asked to determine quantities of a product they are willing and able to buy in a specified time period; a method of determining market demand.
6. Cost - A choice between alternatives or the sacrifice involved in accomplishing something; the amount paid or charged for something.
7. Price - The ratio of exchange between two commodities; the exchange value of one product compared to another, often given in the dollar price of a product.
8. Quantity - Amount; number.
9. Demand schedule - A chart expressing the quantity demanded of a good or service at various prices for a specified time period, both for the individual and the total group.

**PRE-VIEWING ACTIVITIES:**

1. Multiple Meanings

Before the program, ask each student to write a definition for the word, "demand." As students report their definitions make a chart listing of the major ideas given. Point out that many words have more than one meaning and that to understand what we read and hear we often must know which meaning of a word is being used. Explain that lesson ten will present a new meaning of the word "demand" and after the program the class will add that new definition to the chart.

2. Classroom Market Survey (Taken from Workshop Leader's Handbook, Joint Council on Economic Education, New York, New York, 1978, pp. 85-86.)

The instructor brings a chocolate candy bar and shows it to the class. Describe the candy bar to the group and ask, "How many of these candy bars would you be willing to buy for \$1.00 each?"

Distribute individual Demand Sheets (shown below), and ask students to fill in the total number of candy bars they would be willing to purchase at each of the given prices. Explain how the sheet is to be completed. Point out, for example, that if a person would be willing to buy 5 candy bars at \$.50 each, he/she would also be willing to buy at least that many at \$.25 each. Therefore, the total quantity demanded at each price includes at least as many as would have been bought at the next higher price.

INDIVIDUAL DEMAND SHEET

Price	\$1.00	\$.50	\$.25	\$.15	\$.10	\$.05	\$.01
Quantity You Would Buy							

Upon completion of the demand sheets have a couple of the students help in the computation of the total number of candy bars demanded at each of the given prices. Complete on the board the following demand schedule:

<u>Price</u>	<u>Total Quantity Demanded</u>
\$1.00	
.50	
.25	
.15	
.10	
.05	
.01	



## Classroom Market Survey (continued)

Have students observe the data and elicit from them some observation of what they can deduce from the data. Lead them to express the Law of Demand - that as the price increases, the quantity demanded decreases.

Use a large sheet of demonstration graph paper or the chalkboard and depict the demand schedule on a graph.

Other examples to illustrate the Law of Demand might include:

- At \$200 a gallon, for what would you use water?
- How many of you would increase your use of apple juice if it were \$3/gal.?
- At \$5 a yard, for what might people use a fur coat?

### POST-VIEWING ACTIVITIES:

#### 1. Market Demand Situations

Explain: Market demand is the amounts of an item people are willing and able to buy at various prices.

GIVEN THE FOLLOWING SITUATION (IF-THEN) FILL IN THE BLANKS:

- A. For years, chocolate and vanilla were just about the only flavors of ice cream available. The demand for these two flavors was equal.
1. If the price of the vanilla bean went up, thus causing the price of vanilla ice cream to go up, then the quantity demanded for vanilla would \_\_\_\_\_ and the quantity demanded for chocolate would \_\_\_\_\_.
  2. If an inventive company introduced a brand new flavor, which caused people's taste to change in favor of the new flavor, then the demand for both chocolate and vanilla would \_\_\_\_\_.
  3. If Joe Namath, star of the gridiron and movie screen, made advertisements for the Vanilla Ice Cream Company, Inc., stating that vanilla ice cream made him strong, healthy and handsome, then the demand for vanilla ice cream would (probably) \_\_\_\_\_.
  4. If it were scientifically proven that the strawberry caused cancer, then the demand for strawberry ice cream would \_\_\_\_\_.
- B. Blue jeans are now one of the most popular items of dress in the United States.
1. If people's taste changed so they desired more brushed cordoroy trousers, then the demand for blue jeans would \_\_\_\_\_.

Market Demand Situations (continued)

2. If a famous movie star stated that he never wore anything except blue jeans then the demand for blue jeans would \_\_\_\_\_.
  3. If a severe depression were to overtake the country and people had less money, then the demand for blue jeans would \_\_\_\_\_.
- C. Soy beans (which is an important crop in Georgia's agribusiness) have been found to be an excellent protein supplement. Many housewives, lunchroom managers and businesses add this supplement to meat to cause it to "go farther."
1. If it were discovered that peanuts could serve the same purpose at a smaller price than soy beans, then the demand for soy beans would \_\_\_\_\_ and the demand for peanuts would \_\_\_\_\_.
  - a. How would this affect the soybean farmer?
  - b. How would this affect the peanut farmer?

2. Crossword Puzzle

The crossword puzzle grid contains the following words:

- Across:**
  - 11: MARKET
  - 27: GRAPH
  - 58: INCOME
  - 75: VERTE
  - 31: DEMAND
  - 34: PRICE
  - 47: VARIOUS
  - 65: SUBSTITUTE
- Down:**
  - 1: DANISH
  - 3: SUE
  - 41: QUE
  - 46: U
  - 51: A
  - 54: T
  - 57: S
  - 61: I
  - 64: S
  - 68: B
  - 71: T
  - 74: U
  - 77: T
  - 78: Y

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Crossword Puzzle (continued)

ACROSS

1. Type of pastry the students in lesson 10 were attempting to sell.
- 11 & 17. (two words) The amounts people are willing to buy at various prices.
27. The market demands are plotted on \_\_\_\_\_.
34. Amount of money given or demanded for a specific item.
47. Differing one from another.
58. Amount of money received as wages.
65. To put in the place of another.
75. To announce publically; to call public attention to a good or service.

DOWN

1. To reduce or become smaller.
9. Of a smaller number.
10. To become greater.
16. A liking for something.
41. Amount.
43. To get possession or ownership of by giving or agreeing to give money in exchange.

3. A Demand Schedule and Graph

The teacher should give each student the Demand Schedule hand-out shown below, a sheet of graph paper, and the following directions and information for Activity A & B.

Activity A - A Demand Schedule

DIRECTIONS: Make a demand schedule using the following information.

It is March and you are selling kites. Pick 5 people and ask them how many kites they would buy at each of the following prices. Record their answers in the spaces provided.

Person	\$.50	\$.75	\$1.00	\$2.00	\$3.00	\$4.00
1						
2						
3						
4						
5						
Total						

## A Demand Schedule and Graph (continued)

COMPLETE THIS SENTENCE FROM EXAMINING YOUR SCHEDULE:

If the price goes UP, the quantity demanded goes \_\_\_\_\_.

### Activity B - A Demand Graph

**DIRECTIONS:** Use the demand schedule you made in the previous activity to construct a demand graph. Follow these steps:

1. Put your graph paper so that the long side is on the bottom.
2. Write "Price per Unit" along the left-hand side of the paper.
3. Write "Quantity Demanded" along the bottom of the paper.
4. Using the totals from the demand schedule, put in dots on the graph for each price and total quantity demanded.
5. Connect the dots with a ruler.

**QUESTION:** Where does the line go as the price increases? What does this indicate?

### 4. Demanding Situations

The teacher will present (by handout or orally) the following situations. After hearing the situations, the students will be asked to answer the concluding questions in a written discussion on how demand was affected. (NOTE: After the writing assignment, the teacher should reconvene the class for a discussion of students' opinions to the problems presented.)

#### SITUATION 1:

A skateboard manufacturer sells his entire shipment of skateboards on the first day. There were priced at \$19.95. Would you advise the manufacturer to raise, lower, or keep the price the same? Why? Discuss the DEMAND in this situation.

#### SITUATION 2:

A shop specializing in blue jeans is doing a very small amount of business. The price of the jeans is \$25. If the store reduced the price, do you think sales would increase? Would they if he raised the price? How would these variations in price affect the DEMAND?

### 5. Market Survey

The following activity will help students understand how price affects demand - the amount that people will buy at a given price. Before the activity, the teacher should review conducting a survey and graphing.

## Market Survey (continued)

The Current Events Club, of which you are a member, is planning to sell school badges for basketball games. Your group must make a market survey of six classrooms.

- Facts:
1. The badge machine costs \$22.00.
  2. Materials for 100 badges cost \$25.00.
  3. There will be 18 games played.
  4. Labor to make badges will be free.
  5. They need \$200.00 for field trips.

### Instructions:

1. Design a market survey questionnaire (get instructor's approval).
2. Conduct the market survey (six classrooms).
3. Find cost of making badges.
4. Find how much the badges should sell for to pay the cost of making the badges and make at least \$15.00 profit per game.
5. Make a graph of the market survey your group conducted, showing the number of badges that could be sold at each price.
6. Submit all work to your instructor.

Discussion should follow the presentation of the survey results centered around why people were willing to buy more at a lower price, etc.

## 6. How to Create Demand Through Advertising

Divide the class into 4 or 5 groups. Each group should have a piece of poster board, drawing paper, and magic markers. Give your students the following instructions:

We are going to open a travel agency, and we have written to the Chamber of Commerce of various places asking for travel information. Pretend your group is from a place tourists might like to visit. Your job is to design a travel poster and pamphlets advertising your city. Make it attractive so people will want to come to your city.

The children can use actual places they have studied or make up fictional places using areas of the room, such as Library Land, Puzzle Paradise, etc. Each group presents their poster, and the class discusses how advertising will bring tourists to the city (creating demand).

7. Word Search

The puzzle of hidden words contains ten (10) words central to the next economic concept to be developed in Trade-offs. Find and circle the ten words. Then write a paragraph about market demand which includes all ten words.

D A C B D S U R V E Y  
E F E H M U G O O D S  
M J G R A P H K I S E  
A O R G R P R I C E L  
N S P R K L Q L A R L  
D U M T E Y B D V V E  
Q U A N T I T Y T I T  
H B U Y E R S S E C S  
B A E X C H A N G E O  
E J D I C A F M G S C

LEARNING CENTER - LESSON 10

"To Buy or Not to Buy"

by

Susan Blumenthal  
Gary Reynolds  
John Adams

This center is constructed using a medium-sized cardboard box. Sides are covered with patterned contact paper. Materials can be attached to the box with staples, tape or brads. Use of magic markers and different colors of construction paper help increase the attractiveness of the center. A box, folders, or other record-keeping materials should be placed against or near the center.

SIDE 1

Display of center purpose and record keeping materials.

Each teacher can devise his/her own method of which students use the center at any specific time, as well as a method of keeping a record of each student's completed work.

Purpose of Center:

To gain a greater understanding of market demand by completing four activities

SIDE 2



To be printed on the DIRECTIONS section:

1. Pick card No. 1 from the "EASY" envelope. Read the card.
2. If the information will cause an increase in demand, put an "INCREASE" card in envelope 1-B. If it will cause a decrease, put a "DECREASE" card in that envelope.
3. Turn the "EASY" card so that the number shows and place it in envelope 1-A.
4. After completing all five "EASY" cards, check your answers.
5. Now do the "HARD" cards using the same procedure.
6. If you dare, do the "GENIUS".... HAVE FUN!!



DIRECTIONS

**ACTIVITY 1**

**FACTORS THAT AFFECT DEMAND**  
If this happens Demand for product will

**ANSWERS**  
(the paper is unfolded to show the answers.)

INCREASE	1 A	1 B
DECREASE	2 A	2 B
EASY	3 A	3 F
HARD	4 A	4 B
GENIUS	5 A	5 B

Cut envelopes in center so numbers and words on cards can be seen.

SIDE 2, continued

For the teacher:

Inside the INCREASE packet have five cards (cut construction paper) with the word INCREASE printed on the front. Do the same for the DECREASE packet.

EASY cards. (Number cards on one side and put statement on the other side.)

1. The price for the product increases.
2. The product becomes scarce (hard to get).
3. They produce a surplus of the product (more than is needed).
4. The price of the product increases.
5. The product goes on sale.

HARD cards. (Number cards on one side and put statement on the other side.)

1. The price increases on a similar product. The demand for other similar products will \_\_\_\_\_.
2. A man loses his job. His demand for most products will \_\_\_\_\_.
3. You become allergic to peas. If you like them your demand for green beans will \_\_\_\_\_.
4. You get a raise in your allowance. Your demand for buying candy will probably \_\_\_\_\_.
5. The new service station in town has beautiful girls pumping gas. The demand for the gas at that station may \_\_\_\_\_.

GENIUS cards. (Number cards on one side and put statement on the other side.)

1. A better product is produced and sold at the same price. Demand for the previous product will \_\_\_\_\_.
2. The population increases. The demand for many items will probably \_\_\_\_\_.
3. A competitor's product similar to yours goes on sale. Demand for your product will probably \_\_\_\_\_.
4. If a person is on a fixed income during inflationary times, the person's demand for luxury items will \_\_\_\_\_.
5. A movie theater offers a free drink with each bag of popcorn. The demand for popcorn will \_\_\_\_\_.

ANSWERS

- EASY - 1. Decrease    2. Decrease    3. Increase    4. Increase  
          5. Increase
- HARD - 1. Increase    2. Decrease    3. Increase    4. Increase  
          5. Increase
- GENIUS-1. Decrease    2. Decrease    3. Decrease    4. Decrease  
          5. Increase

SIDE 3

DIRECTIONS

Pick an activity that will cause an increase in the demand for "Fizz" soda. Draw a newspaper or magazine ad.

ACTIVITY 2

What can you do that will cause the demand for this product to increase?

Activities to increase the sale of product

Lower prices  
Advertisements  
Special offers  
Free samples  
Catchy phrases

Get a free pass to the movies of your choice with each carton of "Fizz" bought at Joe's market.



If you have a quiz and feel quizzzy, drink a FIZZ and get whizzy!

FIZZ + FIZZ = FIZZ FIZZ 2 FIZZES

Buy one and Get one FREE



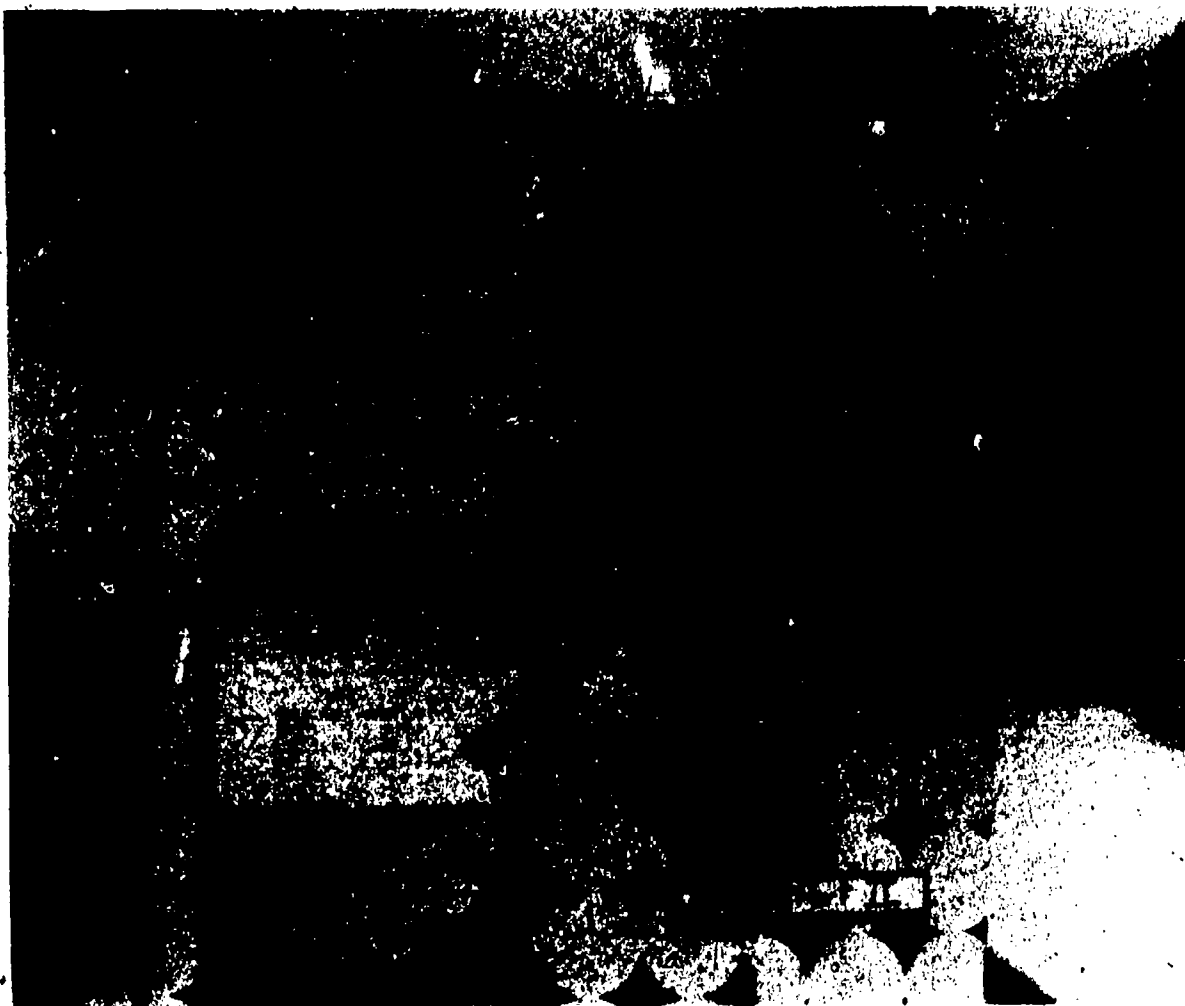
Write a T.V. commercial for the new soda "FIZZ." Act it out.

Record the commercial or get the teacher to watch as you act it out.

ACTIVITY 3

Have a box of materials that can be used for creating commercials by the center. Include scissors, paste, paper, coloring materials, etc.

SIDE 4



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Use the two graphs, Graph A and Graph B, to answer the questions. Write the answers on paper, then check them.

**ACTIVITY 4**

Activity 4 has two parts.

**Part I** - Reading graphs

**Part II** - Draw a demand graph with information given.

**PART I**  
Directions

answers for graph questions. DON'T PEEK!

GRAPHS A AND B

QUESTIONS FOR GRAPH A AND GRAPH B


DATA

Try drawing your own demand graph using the data given.

Materials:  
graph paper  
ruler  
markers

Directions

**PART II**



Place answers on a strip of cardboard and place inside packet.

Questions are underneath construction paper flap.

The graphs used in Part I are taken from the Trade-Offs teacher's manual, p. 45. Cut them apart and cover them with clear contact. Fill in data as shown on next page.

SIDE 4, continued

Part I - Reading Graphs

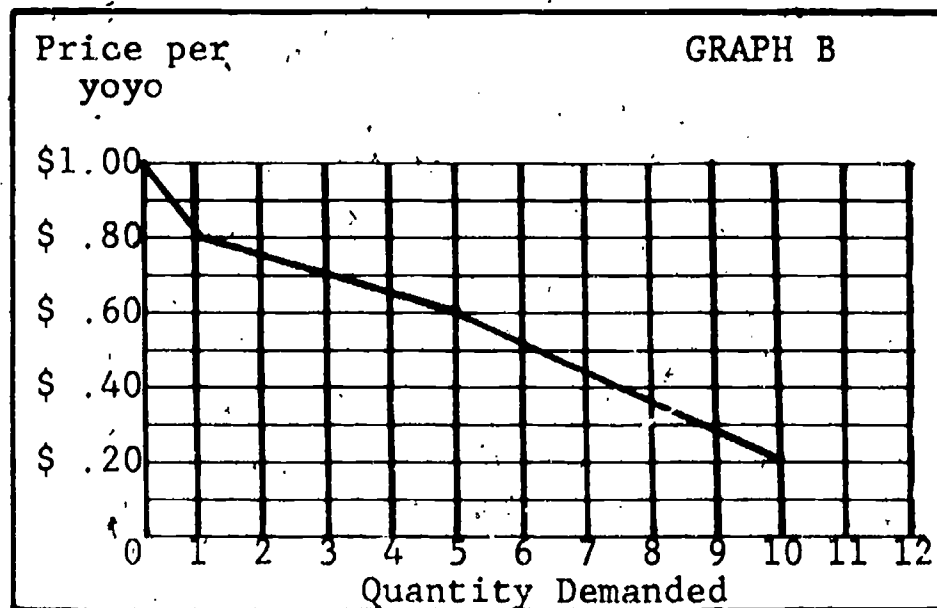
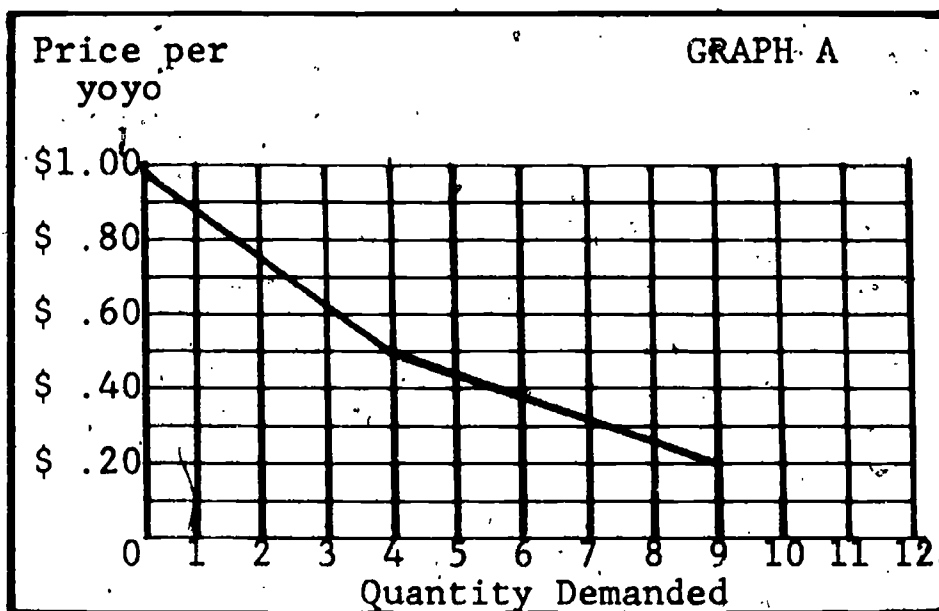
GRAPH QUESTIONS

ANSWERS

Tell Which Graph Shows:

1. ten yoyos bought at \$.20
2. four yoyos bought at \$.50
3. none purchased at \$1.00
4. nine yoyos bought at \$.20
5. five yoyos bought at \$.60
6. thirteen yoyos demanded in all
7. sixteen yoyos demanded in all
8. more yoyos demanded
9. one yoyo bought at \$.80
10. twelve yoyos demanded at \$.70

1. B
2. A
3. Both
4. A
5. B
6. A
7. B
8. B
9. B
10. Neither



SIDE 4, continued

Part I - Draw a Demand Graph

Mr. Jones, owner of the local pet store, asked several of his customers these questions? . . . How many goldfish would you buy at 50¢ each? How many fish would you buy at 90¢ apiece? How many fish would you buy at \$1.30 each? Below is a chart showing the total number of goldfish demanded at each price. Make a demand graph illustrating this chart.

RESULTS

Price per fish	Quantity Demanded
\$1.30	12
\$ .90	45
\$ .50	120

## LESSON ELEVEN

### "To Sell or Not to Sell"

OBJECTIVES: Students will be able to:

1. Outline the factors that influence the quantity of an item people will offer for sale.
2. Predict how changes in the price of a product influence the amount people will offer for sale.
3. Give an example of one thing that would change the amount of a product or service people will offer for sale at any given price.
4. Describe a supply graph and explain how it would change if there were an increase in the cost of production.

### VOCABULARY:

1. Supply - A schedule listing the alternative quantities of a good or service that sellers are willing and able to provide at each alternative price during a specified period of time, other things remaining unchanged.
2. Workmanship - The quality imparted to goods and services in the process of their production; the art or skill of a worker.
3. Production - The process of increasing the number and capacity of goods to satisfy human desires or of rendering services capable of satisfying human desires.

### PRE-VIEWING ACTIVITIES:

#### 1. Price Changes

Locate two catalogs from a major department store such as Sears, Penneys, etc. The catalogs should be of different years, one catalog should be for the current year. Compare the prices of various items. Discuss the changes in price. Students might prepare short reports for class presentation or posters for display.

#### 2. How Much Would You Do?

Discuss with students how their willingness to supply baby-sitting or lawnmowing services would be affected if the customary prices for these services were doubled? Were cut in half?



POST-VIEWING ACTIVITIES:

1. Supply Graph

A. "You have 20 new comic books to sell. Fill in Column A of the chart to show how many you would be willing to sell at a particular price. They cost you 15¢ each."

Price	A Quantity Supplied	B New Quantity Supplied
50¢	_____	_____
45¢	_____	_____
40¢	_____	_____
35¢	_____	_____
30¢	_____	_____
25¢	_____	_____
20¢	_____	_____
15¢	_____	_____
10¢	_____	_____
5¢	_____	_____

Using a prepared chart similar to the one shown above, have students fill in their individual responses under Column A. Examine the responses and ask for an explanation of their suggestions. They will likely say they would sell at the higher rate in order to make more money.

Bring out in the discussion the need to consider the cost of the comics initially. If priced too low, the students would lose their original investment. If the goods are priced too high, no one will buy them and money will be lost. Give each student a sheet of graph paper and have him/her plot his/her individual supply schedule and label the supply curve S.

B. The teacher may expand on the concept of changes in supply through an additional exercise. Discuss the impact of a change in price to the seller-would an increase in price affect the cost at which items would be supplied? How? Would a decrease in price affect the cost at which items would be supplied? How?

"Your cost for comic books is now 25¢ each." Have students fill in their individual responses in Column B on the supply schedule. Examine and discuss their responses. Plot the supply curve on the graph made in Part 1. Label this curve S<sub>1</sub>. Note the relationship of the two supply curves.

What other factors beside an increase in the price to the seller might affect the supply schedule and what would be the effect on price?

## 2. Interviewing Business People

Break the class into 2-person teams. Each team is to compose five (5) important questions on supply to ask a businessperson. The questions might be:

- a. What are the most important things you consider when determining how much you will supply at each price?
- b. How is the quantity you are willing to supply affected by price?
- c. How is the quantity you are willing to supply affected by what other businesses which sell a similar product do?
- d. What would happen to the quantity you would be willing to supply if a new invention let you produce at a lower cost?
- e. Do rising costs affect the quantity you are willing to supply?

When the students have completed the interviews, have each team report to the class. Let the class discuss the similarities and differences among the answers obtained through the interviews.

## 3. The Nature of Supply--A Bulletin Board Idea

Using data gathered in previous activities or data collected by the class, make a supply schedule. This can be shown on one section of the bulletin board in red under the schedule title, "Quantity Supplied." On the other section of the bulletin board, make a supply graph connecting the points on the graph with a red line or yarn.

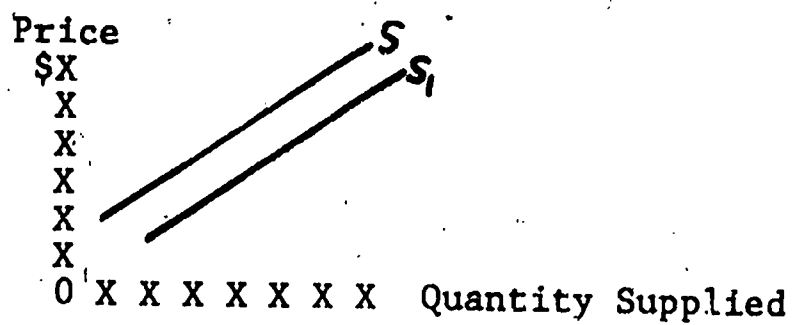
Discuss with the class what factors might cause a change in supply. (Cost of resources, increased technology, cost of related goods, etc.) Propose an increase in price of the product to the seller. Determine the new supply schedule. This schedule, placed next to the first one can be coded in another color such a green or blue. Plot the data on the graph in the corresponding color to show the change in supply. Label the first curve  $S$  and the second curve  $S_1$ . The bulletin board will be similar to the one on the next page.

## THE NATURE OF SUPPLY

### Supply Schedule

<u>Price</u>	<u>Quantity Supplied (S)</u>	<u>New Quantity Supplied (S')</u>
\$X	X	X
X	X	X
X	XX	XX
X	XX	XX
X	XX	XX

### Supply Graph



#### 4. Changes in Supply

"Thousands of Georgians are employed by the many automobile assembly plants located within the state. This source of employment makes a large contribution to our economy. Therefore, events which occur within these industries are important to us all.

Recently a General Motors Corporation assembly plant in Doraville was ordered to stop production of the Chevrolet Monte Carlo, a good selling luxury car. The cause for this action was an increase in the market demand for another Chevrolet product called the Chevette, a small economy model. Since the economy car was in greater demand than the luxury car, the opportunity cost for producing the Monte Carlo became too great. To increase the market supply of the Chevette it became necessary to cut production of the Monte Carlo. Since fewer workers were needed to assemble a smaller car with fewer parts, some people lost their jobs."

1. What factors did the General Motors Corporation consider before changing the models of cars produced at its Doraville assembly plant?
2. What will happen if the market demand for the Monte Carlo begins to rise and the market supply falls?
3. What affect may a price rise in Chevettès have upon the market demand for that car?
4. How would this change in model production have a negative effect on Georgia's economy?
5. What was GMC's opportunity cost upon making the decision?
6. What alternatives could you suggest to prevent a loss of employment?
7. How could a loss of employment in this assembly plant affect the housing situation in Doraville?
8. Construct graphs to show the relationships that exist between market demand and market supply for these two products.

#### 5. Understanding Why

Make a class chart listing goods or services which have been in short supply in recent years. As items are added to the list, discuss reasons for the short supplies and effects of short supply on the price of each item. Save the chart and add future events throughout the school year.

SHORT SUPPLIES

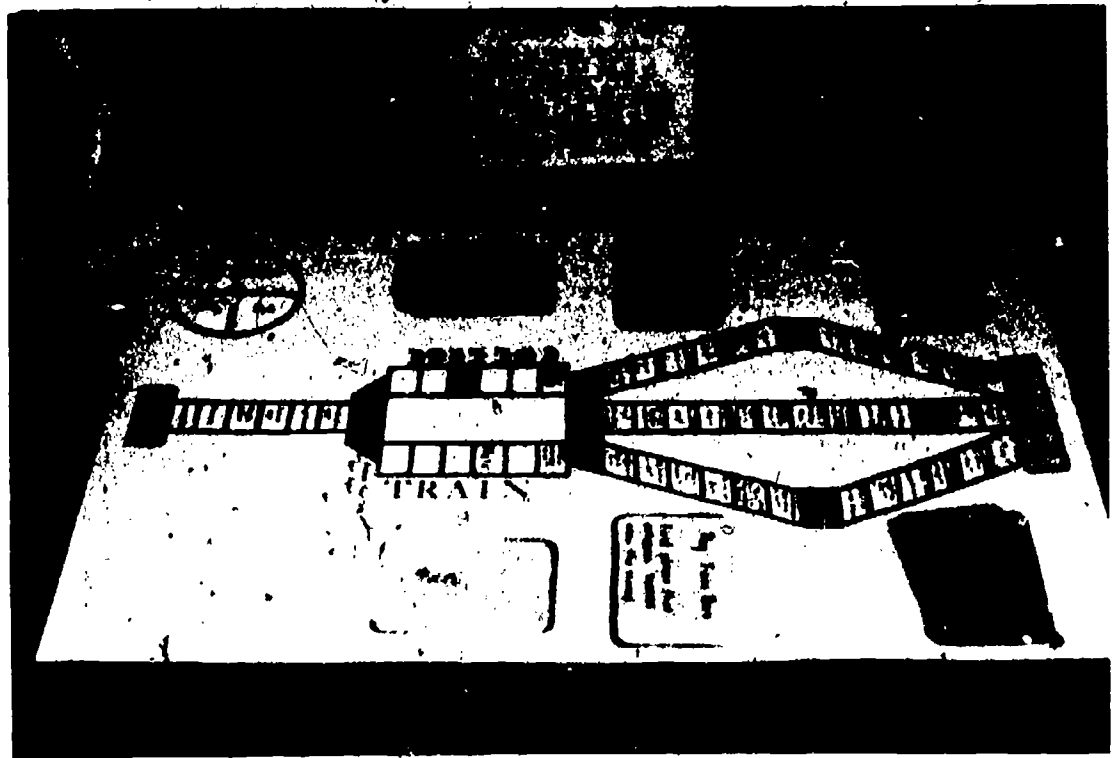
<u>Item</u>	<u>Cause of Short Supply</u>	<u>Effect on Price of Item</u>
Coffee	Freeze in coffee-growing regions of South America	Price for a pound of coffee rose dramatically

LEARNING CENTER - LESSON 11

"To Sell or Not to Sell"

by

Lynn Bradford  
Gay Harris



## LESSON TWELVE

### "At What Price?"

OBJECTIVES: Students will be able to:

1. Define a market clearing price as one at which there is neither a surplus nor a shortage.
2. Distinguish between a shortage and a surplus by explaining that a shortage exists when the price is below the market clearing price and a surplus exists when the price is above the market clearing price.
3. State what tends to happen to prices when a shortage exists and when a surplus exists.
4. Interpret a supply and demand graph to determine the market clearing price of a product and indicate the quantity that would be exchanged at that price.

### VOCABULARY:

1. Market clearing price - The price at which the quantity demanded is equal to the quantity supplied. It is also called equilibrium price.
2. Surplus - A situation occurring when the quantity supplied is greater than the quantity demanded. A surplus exists when the price of a good or service is above the market clearing price.
3. Shortage - A situation occurring when the quantity supplied is less than the quantity demanded. A shortage exists when the price of a good or service is below the market clearing price.
4. Sale - Transfer of ownership from one person to another for a price; a selling of goods at prices lower than the price for which the goods were originally offered.
5. Merchandise - Goods that are bought and sold in business.
6. Overstocked - Having more goods on hand in a business than are demanded by buyers or consumers at a given price.

## PRE-VIEWING ACTIVITIES

### 1. Word Scramble

Unscramble the words below:

1. plpysu
2. mednda
3. hsroatge
4. uprsius
5. uqnattiy
6. cerdsae
7. caenires
8. rodcpst
9. osct
10. rpice
11. ramekt
12. chgaenex
13. lreacnig
14. darte-sfof
15. nchgase

Key:

supply  
demand  
shortage  
surplus  
quantity  
decrease  
increase  
product  
cost  
price  
market  
exchange  
clearing  
trade-offs  
changes

### 2. Eco-Math Puzzle

This exercise can be used to help students practice their multiplication skills and at the same time learn an economic concept.

**INSTRUCTIONS:** Complete this economic puzzle using the number code as listed below. Some letters can be used more than one time; other letters will not be used at all.

- a. work the problem;
- b. find the letter beside the number answer for the problem;
- c. put the letter in the blank. A few problems have been done for you.
- d. read the entire decoded message.



<u>Letter</u>	<u>Number</u>	<u>Problems</u>
A	12	6 x 8 =
B	15	6 x 2 =
C	5	8 x 9 =
D	3	12 x 12 =
E	24	12 x 2 =
F	6	5 x 11 =
G	0	
H	36	5 x 1 =
I	9	9 x 9 =
J	14	4 x 6 =
K	144	3 x 4 =
L	81	9 x 8 =
M	48	3 x 3 =
N	56	7 x 8 =
O	84	0 x 12 =
P	42	
Q	18	6 x 7 =
R	72	18 x 4 =
S	60	9 x 1 =
T	55	1 x 5 =
U	49	6 x 4 =
V	10	
W	28	3 x 3 = 9
X	25	30 x 2 =
Y	16	
Z	45	11 x 5 =
		6 x 6 =
		8 x 3 =
		21 x 2 =
		12 x 6 =
		1 x 9 =
		5 x 1 =
		8 x 3 =
		7 x 4 =
		9 x 4 =
		24 x 1 =
		24 x 3 =
		3 x 8 =
		6 x 3 =
		7 x 7 =
		4 x 3 =
		8 x 7 =
		11 x 5 =
		3 x 1 = 3
		3 x 3 =
		5 x 11 =
		4 x 4 =
		12 x 5 =
		7 x 7 =
		14 x 3 =
		7 x 6 =
		9 x 9 =
		9 x 1 =
		6 x 4 =
		1 x 3 =
		2 x 12 =
		6 x 3 =
		7 x 7 =
		4 x 3 =
		27 x 3 =
		6 x 10 =
		2 x 9 =
		7 x 7 =
		2 x 6 =
		8 x 7 =
		5 x 11 =
		9 x 1 =
		11 x 5 =
		2 x 8 =
		3 x 1 =
		24 x 1 =
		6 x 8 =
		2 x 6 =
		28 x 2 =
		1 x 3 =
		8 x 3 =
		3 x 1 =

Key: Market clearing price is the price where quantity supplied equals quantity demanded.

3. Word Search

AT WHAT PRICE?

T O A L E D E M A N D Z A E S  
B R A D E A V A C I T Y F I B  
E S F M A T E R I A L S B U S  
C H X S E Y Z K W P L U C O N  
O A N H L P R E V I Y R O U S  
M R O O M R L T D O U P K S V  
E O A R N I T C E E B L T H A  
S G R T E C N L O S Q U E E S  
A T B A S E W E A S U S E H K  
E D J G F M S A L E A S S E N  
R F M E O P C R L O N T I H L  
C L S F R L O I S A T U T R V  
E O R D E L L N T U I E R D E  
D A I C T L A G S D T A E A S  
O F F B E S U P P L Y O V Y D  
C O N S U M E R O V A L D E F  
T N U Y P S D I N C R E A S E  
Y B E T A V E C A G O H R E T  
O D M E A L B E F O R E Y O U

Can you find these words?

Surplus

Market clearing price

Sale

Consumer

Quantity

Increase

Decrease

Shortage

Demand

Buy

Materials

Advertise

Supply

Sell

Price

#### POST-VIEWING ACTIVITIES:

1. Equilibrium Price (Taken from Workshop Leader's Manual, Joint Council on Economic Education, New York, New York, 1978, p. 91)

"You have a cookie-manufacturing company and you want to know the best price at which you can sell your cookies. This price should maximize your profits. You want to sell at the highest price you can with as few cookies as possible unsold." (You need to put two schedules on the board.) "First, let's make a demand schedule of how many cookies five of you would be willing to buy at various prices." Figure the total quantity demanded at the various prices. Keep in mind that this graph is for a specific time period. Next make a supply schedule. You will need five students who will volunteer to give answers to the amount they are willing to supply during this time period at the various prices. After the class has completed the two schedules, bring out a sheet of large graph paper. Plot the demand schedule on the graph, then plot the supply schedule on the graph. The place on the graph where the demand curve crosses over the supply curve is the EQUILIBRIUM PRICE.

The equilibrium price (market price) takes the two conflicting sets of attitudes of suppliers or producers and those of consumers or demanders, and reconciles them by showing the price at which the quantity offered is identical to the quantity demanded.

You may wish to have students individually find the equilibrium price for another item.

## 2. Lucie's Lemonade Stand - A Taped Play

Students can record the play on a tape recorder, which can then be played to the class. They must listen very carefully and take notes, because they will be asked to plot a demand and supply graph at the end of the program.

### Script

Charlie Brown: "What'cha doing Lucie?"

Lucie: "What does the sign say Charlie Brown?"

Charlie: "Lemonade for sale! How much?"

Lucie: "50¢ a cup."

Charlie: "50¢ a cup! Are you crazy Lucie? I can get a coke for 30¢ at the Quick Store."

Lucie: "But Charlie, I want a Super Dupper Science Experiment Kit and it costs a fortune-- \$330.00."

Charlie: "I don't think you will sell much lemonade at 50¢ a cup."

Lucie: "I've just got to get the money before my next science project is due and I have only saved \$10 from my allowance."

Linus: "What'cha doing?"

Charlie: "Lucie has started selling lemonade, Linus, but it is too expensive for me to buy any."

Linus: "How much is it?"

Lucie: "50¢ a cup is what I said, but maybe it is too much. Charlie, how much will you give me for the lemonade?"

Charlie: "I might give you 30¢ a cup since it is for a good cause."

Linus: "I only have 10¢ left from my allowance."

Lucie: "Linus, that is too little. I have to pay for the lemons, the sugar and the cups, you know. Plus, my brother let me use the stand on the condition that I pay him 2¢ on each cup of lemonade I sell."

Charlie: "Here comes the gang, maybe they will pay you 50¢ a cup for your lemonade."

Marcie: "Lucie, are you selling lemonade?"

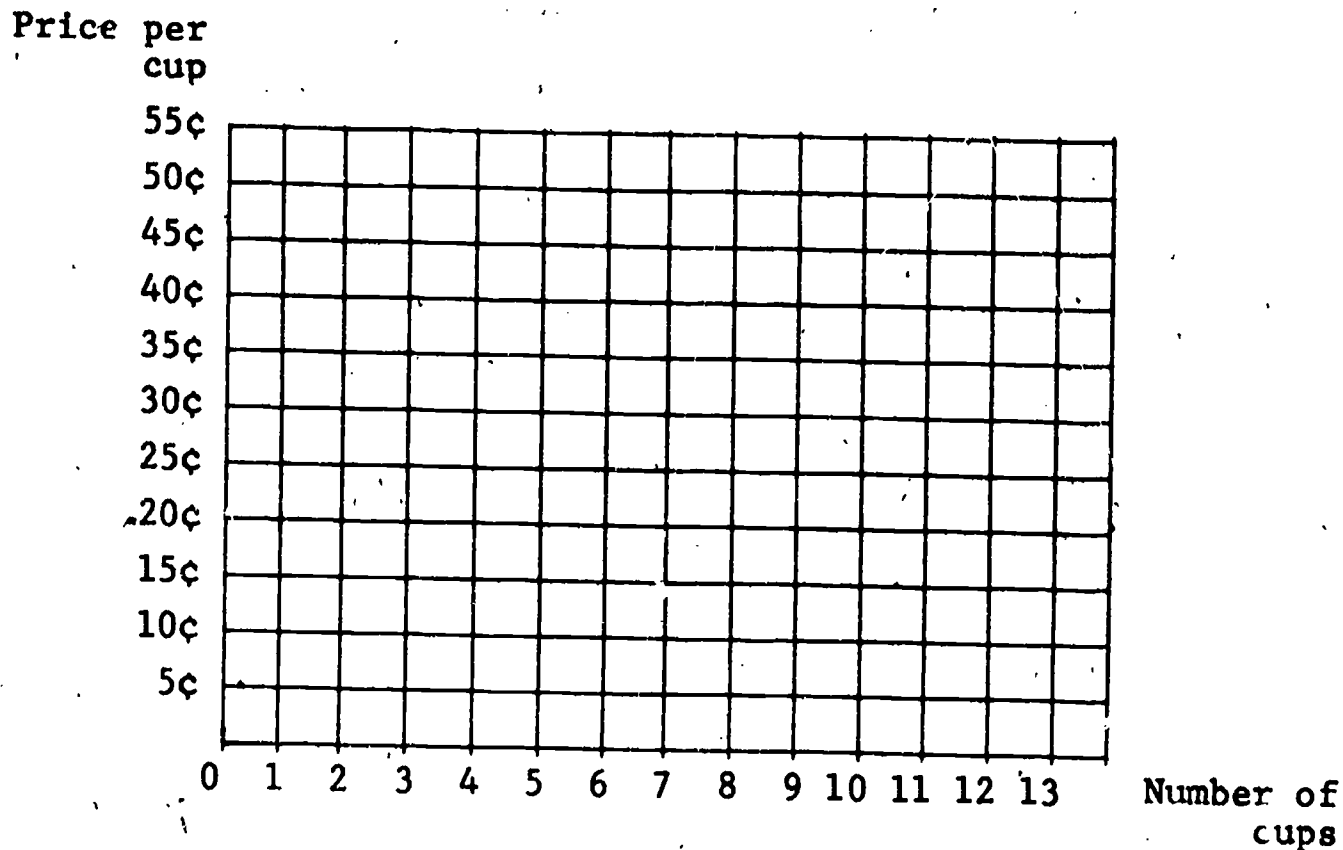
Lucie: "Yes, Marcie, would you like to buy some?"

Marcie: "How much?"

Lucie: "I haven't decided on a price yet. Maybe the gang can help. How many of you would pay 50¢ a cup for my lemonade? (pause) Hum, none. How many would pay 45¢ a cup for my lemonade? (pause) One. How many would pay 40¢ a cup for my lemonade? One-two. How many would pay 35¢ a cup for my lemonade? One-two-three--three. How many would pay 25¢ a cup for my lemonade? One-two-three-four-five. Hum, how many would pay 20¢ a cup for my lemonade? One-two-three-four-five-six! Thanks guys. Come back in half an hour, some friends of mine are going to find out how much I should sell my lemonade for."

"To be able to plot the graph for me, you must also know how much lemonade I would supply at each price based on just one pitcher of lemonade. At 50¢ I would supply 10 cups to the gang. At 45¢ I would supply 9 cups to the gang. At 40¢ I would supply 8 cups to the gang. At 35¢ I would supply 7 cups to the gang. At 30¢ I would supply 6 cups to the gang. At 25¢ I would supply 5 cups to the gang. But at 20¢ I would not supply any, because each cup costs me 18¢ to supply it, and I would not make but 2¢ profit on each cup. So, please find out at what price I should sell my lemonade. You can use a graph to help you find the answer."

### Market Clearing Price for Lemonade



### 3. Newspaper Headlines

Students are asked to bring in newspaper or magazine articles on supply, demand, prices or quantity. The teacher may want to supplement the articles brought in by students or provide newspapers to the class.

Students are given the following assignment:

Clip headlines from the articles. Paste on an index card. Indicate on the back of the card with an arrow pointing up for an increase and down for a decrease in the following: Supply, demand, price, quantity. Students may then share their headlines with the class.

### 4. Finish the Story

Students are given an introductory sentence or paragraph, which sets up a situation. Each student finishes the story. The teacher must be sure to check for accuracy of economic concepts.

One example of a story beginning might be: "Marcie has saved her allowance for four weeks and she has \$2.00 to spend. She decides to invest her money in a business of her own instead of buying lemonade each day from Lucie. Marcie decides to make . . . ."

## 5. Password

Number of players: Two teams, two people each.  
One person is timekeeper.  
Total of five (5) players.

### Procedure:

1. The two people in each team face each other. Hand one person four words. The other person must try to guess the four words in one minute. (Time can be varied.)
2. The person looking at the word can describe it, but cannot use any part of the word in the description. Opposite words may be used (salt-pepper, day-night).
3. The person may skip a word if his partner cannot arrive at the answer and can go back to the word skipped if there is time left over.
4. Scoring: Each word counts ten points. The team with the most points wins.

Password can be used for pretesting, practice, or evaluation. Words may be taken from the vocabulary list for the lesson, or lessons 10-12.

## 6. Triple Match

Make a set of vocabulary cards. Cards can be made to relate to one lesson or several lessons as a review (for example: lessons 10-12). The more cards, the more possible players.

### Directions: (4 players)

1. Shuffle cards and deal 5 to each player. Place remaining cards face down in a stack.
2. The object of the game is to collect "books" of 3 cards which show some relationship.
3. Players take turns. If a player can find a relationship among 3 cards, he or she must relate his findings to the other players. Lay the "book" to the side and draw 3 more cards.
4. If the player cannot make a book with his/her cards, one card may be drawn from the stack and one card discarded on the bottom of the stack.
5. The game continues until all cards are used or until no more matches can be made.
6. The player with the most "books" wins.

## 7. Contrasting Words

This activity is designed to familiarize the students with the use of vocabulary words. Five possible sets of contrasting words are:

1. supply - demand
2. shortage - surplus
3. quantity supplied - quantity demanded
4. buyers - sellers
5. increase - decrease

The teacher will hang up a long piece of butcher paper. Each day the teacher will place a new set of words on the paper. Students who can use the contrasting words in any of the following ways can sign the butcher paper. The student may sign each time a new way is used. Thus, each student can sign a maximum of five times.

- a. Define the terms.
- b. Creative writing exercise.
- c. Art work (cartoon, etc.).
- d. Role play the words.
- e. Make a newspaper headline with each term.



## LESSON THIRTEEN

### "How Could That Happen?"

OBJECTIVES: Students will be able to:

1. Explain how a change in consumer purchases in one market can have unforeseen consequences in other markets.
2. Predict how changes in supply, demand, market clearing price and market clearing quantity will affect one another in a specific situation involving two different markets.

### VOCABULARY:

1. Market system - An economic system which relies upon markets to allocate scarce resources; a device that blends the interaction of supply, demand, price, competition and communication in a market economy.
2. Price system - A system where markets determine prices and consumers and businesses use these prices in making economic decisions; changing prices influence these decision-makers to vary their consumption pattern, thus affecting other prices in the system.
3. Inventory - The quantity of goods or materials on hand at a given time; stock.
4. Interdependence - A state of depending or relying on one another; when people depend on others, and others depend on them, they are interdependent.
5. Chain of events - Sequence; a series of happenings or events in which each event in the series is in some way a result of the prior events.

### PRE-VIEWING ACTIVITIES:

1. What Do You Think?

Accept all student responses and reasonings. After students view the program, go back over each item to see if students wish to change any of their first responses.

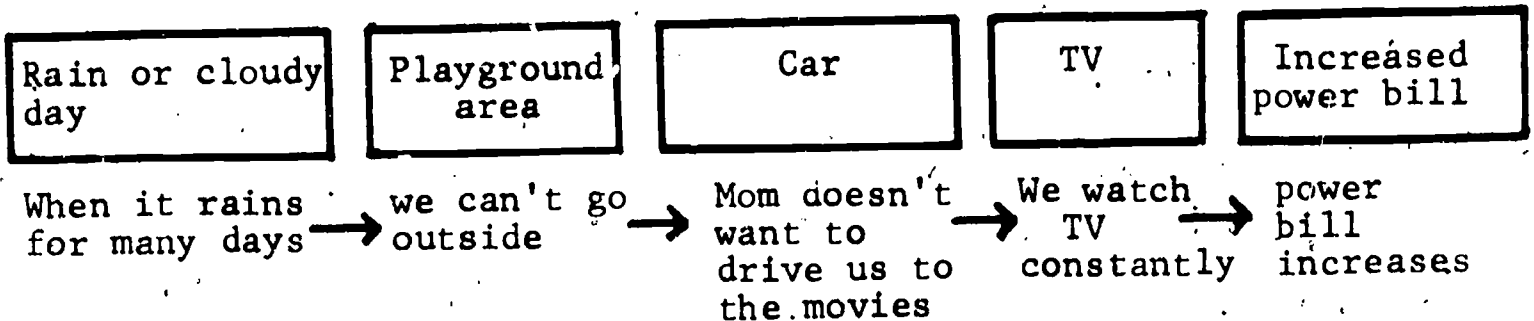
## What Do You Think? (continued)

What do you think would happen to the price of:

- lettuce if fertilizer becomes more expensive?
- cars if a new, cheaper method of producing steel is invented?
- hospital care as the price of gasoline increases?
- going to a movie if theatrical agents raise their fees?
- television sets if the cost of paper decreases?

## 2. Sequence Game

Place five pictures of objects or situations for a given sequence of events in front of the students. Have them arrange these in the order each affects the other. Have students explain their answers. For example:



- Options:
- Students may be divided into teams and given different sequences. Each team must put the pictures in order and give an explanation on a sheet of paper. The first team to finish wins.
  - Students can be given magazines, newspapers, etc. and a situation. They are then asked to cut out pictures showing a sequence of events.

## 3. Word Review

Write the word "interdependence" on a piece of paper vertically. For each letter write an economic term you have learned in programs 1-12. Define the word, "interdependence," and give examples of the concept.

Example:

choice  
interest  
alternatives  
competition  
market clearing price  
demand  
barter  
capital goods  
criteria  
input  
trade-off  
market  
inflation  
opportunity cost  
specialization

## POST-VIEWING ACTIVITIES:

### 1. Cause and Effect

The teacher prepares 10 causes and 10 effects. Each student is chosen to be either a cause or effect. The cause is read and the effect steps forward. When all causes and effects have been completed, the class then assesses whether the pairings are correct.

Option: a series of squares is marked out on the floor as shown below. Three (3) students are selected to be three consequences each. Each situation is labeled a-i. As the situations are read, the correct consequence places either hand or leg in appropriate box. When all situations have been read, the class evaluates the matches and enjoys the fun of seeing students in contortions.

Game Board for Cause & Effect

a	b	c
d	e	f
g	h	i

Examples of causes and effects:

<u>Cause</u>	<u>Effect</u>
a. Taste for a product goes up	demand rises
b. Labor cost rises	supply does down
c. Increase in allowance	demand goes up
d. Technological improvement produces a new oil drilling device	supply goes up
e. The price of tickets to Six Flags go up to \$25	quantity demanded decreases

### 2. Flash Cards

Make flash cards out of heavy paper or poster board for each situation. On one side write briefly a situation or event. On the back of the card write the answer. Students can use

## Flash Cards (continued)

these in teams or small groups or the teacher can use them as a review of supply, demand, market clearing price and interdependence or market prices. These are just a few examples:

- a. Higher gasoline prices will result in a \_\_\_\_\_ quantity demand. ? lowered
- b. Rising crude oil prices will generally cause an \_\_\_\_\_ in the supply of gasoline. decrease
- c. Higher interest rates for borrowing money to buy houses will cause the quantity demanded, to \_\_\_\_\_ fall
- d. Improved technology for producing solar energy would increase the \_\_\_\_\_ of solar energy. supply
- e. Cyclamates are banned from the market. The demand for sugar will \_\_\_\_\_ increase

### 3. Creative Writing

Students are given opening sentences and closing sentences for a story. Each student writes a short, creative story showing a sequence of events leading to the changes in supply and demand for goods and services. Sample situations might include:

- a. Johnny Carson just got a salary increase. . . . . Now you and I have to pay more for Pepsodent toothpaste.
- b. Lumber prices went up. . . . . Marylou and Bob wonder why Time magazine has raised its prices.
- c. A winter freeze hits Florida's citrus crops. . . . . Jane can no longer find concentrated orange juice in the market.

### 4. Sequence Situations

Each student describes three situations and the results on a 3" x 5" index card. The students should write the sequence of events to get from the situation to the results on the back of the card. Now the class is divided into two or three teams. The teacher collects the cards by teams. The teacher now alternates asking the teams to describe the sequence of events to arrive at the result.

For each correct sequence the team is given one (1) point. A sequence may be challenged, and if proven wrong will be scored a -1 for the author's team. This contest continues until the situations are exhausted and a winning team is declared.

5. Treasure Hunt

Break the class up into five-person teams. Using newspapers and magazines, bring in a clipping which demonstrates each of the following:

- a. a change in supply
- b. a change in demand
- c. a technological innovation
- d. a change in cost of production
- e. a change in equilibrium price
- f. a change in quantity demanded
- g. a change of price of substitute goods

The team which finds examples of the above first wins a special treat (class can decide the treat prior to the beginning of the game).

6. Concentration

Using the vocabulary words for lessons 10-13 make two sets of cards. One set with the vocabulary words; one set with the definitions. Mix all cards and place face down on the floor or table. Two students alternate turns. Each student turns over two cards trying to match the word with the correct definition. When this is done, the student places the pair in a stack. The student with the most pairs wins.

7. News Stories (Radio Program)

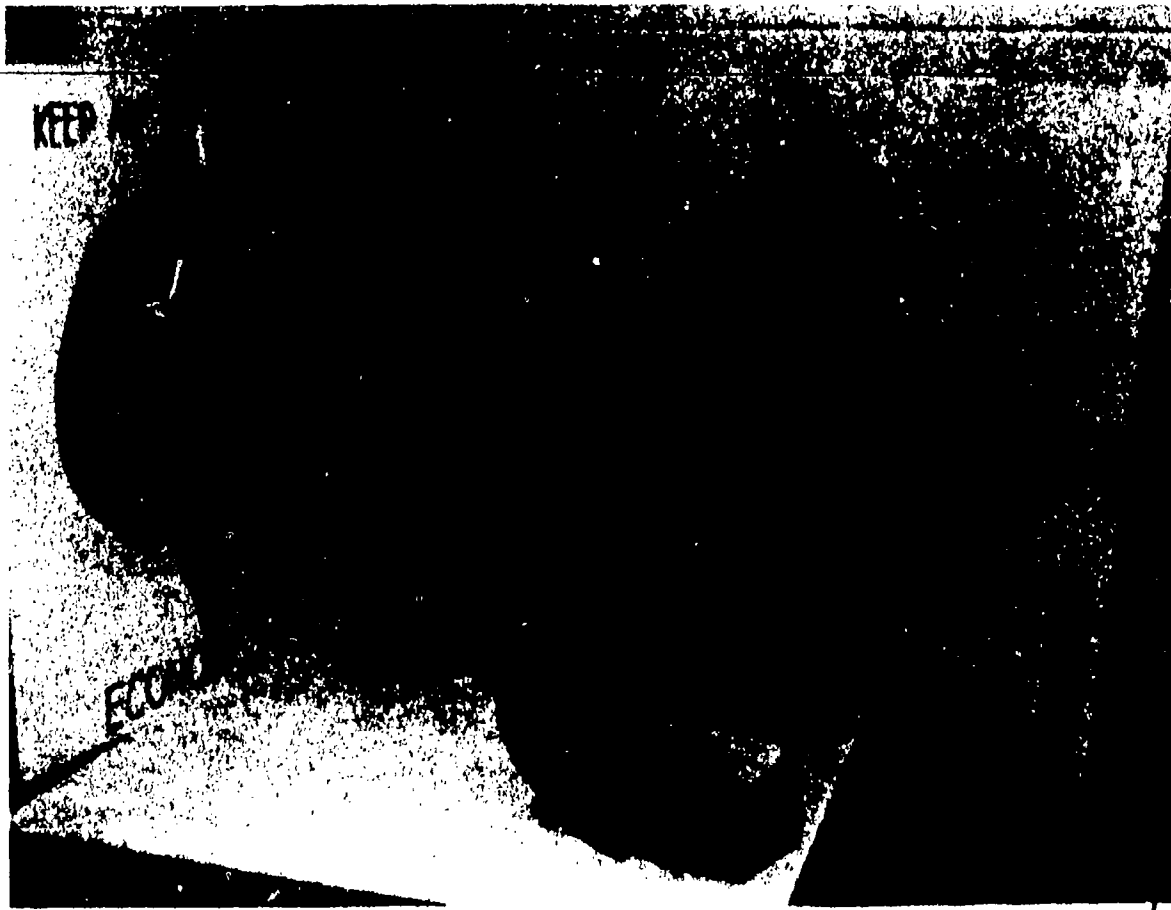
Have students write news stories based on concepts in the lesson. These can be taped and presented to the class. Be sure the teacher checks for accuracy prior to taping.

LEARNING CENTER - LESSON 13

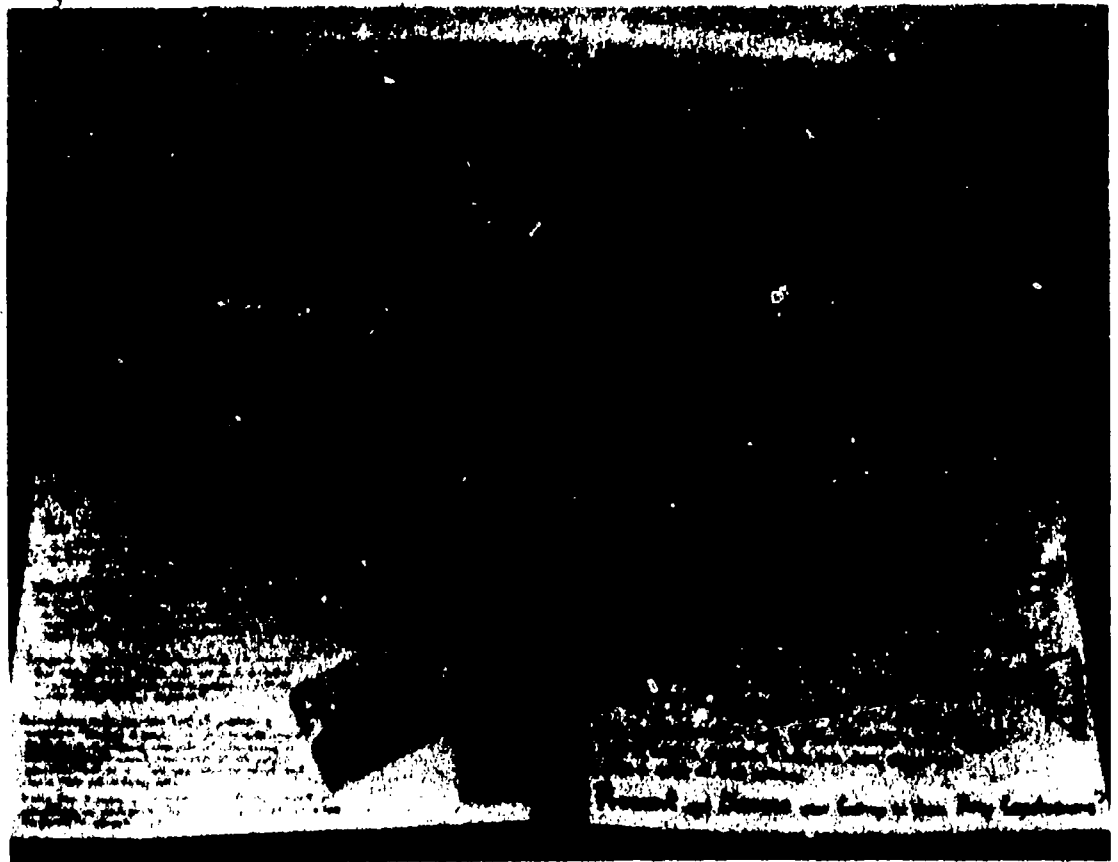
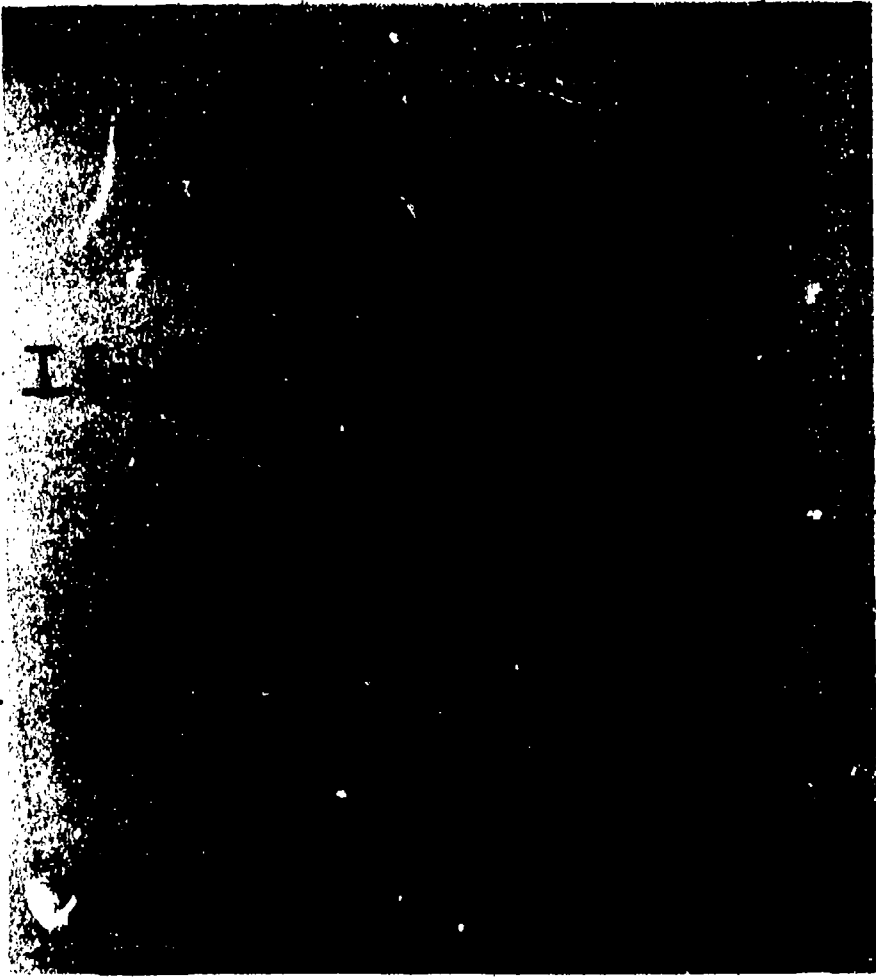
"How Could That Happen?"

by

Juanita Floyd  
Sherrie Malone  
Blanche Lumley



LEARNING CENTER - LESSON 13 (continued)



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## LESSON FOURTEEN

### "Innocent Bystanders"

- OBJECTIVES: Students will be able to:
1. Give examples of situations involving indirect cost.
  2. Propose alternative methods for reducing indirect costs, outlining the advantages and disadvantages of each method.
  3. Apply the decision-making process to a problem involving indirect costs.

#### VOCABULARY:

1. Indirect cost - Costs of production not borne by the producers or the consumers but ultimately falling on a third party who receives no benefit from the activity.
2. User fee - A charge imposed for the use of a good or service so that the purchaser of the final product pays the full cost of its production, thus reducing or eliminating indirect costs.
3. Subsidy - Financial assistance, or its equivalent, given for a service which is considered essential to the public welfare; assistance by government to a private person or company to help an enterprise deemed advantageous to the public.
4. Prohibition - The act of forbidding by authority or law.
5. Property values - The worth, usually expressed in dollar terms, of pieces of real estate (land or land with buildings).
6. Monopolize - To have exclusive ownership through legal privilege, command of supply, or concerted action; to have exclusive possession.
7. Rights - Powers or privileges to which one is justly entitled.
8. Slum - A highly congested area marked by deteriorating buildings, poverty and social disorganization.
9. Benefits - Advantages; things which promote well-being.



## PRE-VIEWING ACTIVITIES:

### 1. Role-Playing

Choose three students to misbehave while the teacher leaves the room. When the teacher returns she or he finds the class loud and disruptive.

The teacher tells the class they must write an essay on self-discipline, as punishment.

Let the class start their essays, then start an oral discussion by asking:

1. What happened while I was out of the room?
2. Did everyone misbehave?
3. Was everyone punished?
4. Were there "innocent bystanders?" Explain the term, "indirect cost."
5. Put yourself in the teacher's role. Use the decision-making grid to solve the problem of disciplining the class.

### 2. Innocent Bystanders

Discuss meanings for the terms "innocent" and "bystanders." Ask students to describe situations in which they were innocent bystanders. Role play a situation where an innocent bystander is affected by a happening over which he/she has no control. For example, two students in a candy store shoplift several candy bars. The shop owner walks up to the students as they are putting the candy in their pockets. A third student is in the same aisle of the store and has picked up a bag of bubble gum to find the price tag on the bag when the owner walks down the aisle.

After an enactment, ask:

1. "Do you think what the group acted out could have actually happened?"
2. "Are there any other things which might have happened? Can you act them out?"
3. "How do you think the people involved felt in this situation?"
4. "What would you have done in this situation? Why? How do you think you would have felt?"

## POST-VIEWING ACTIVITIES:

### 1. In the School and at Home

Have students identify situations involving indirect costs which occur in their school (e.g., in an open school setting the noise created by other classrooms) or their homes (e.g., younger children listening to a blaring radio while older children are trying to study). Help students explore ways to reduce these indirect costs.

### 2. Make a Situation

On the chalkboard write the following list:

1. Highway and a near-by school.
2. Neighbors and their assortment of back-yard animals.
3. A disco and nearby residents.
4. A surfer at a crowded beach area.
5. A skateboarder in a residential neighborhood.
6. A large polluting factory upstream from several communities.
7. Cigarette smokers in a crowded meeting room.

Students are to choose one item from the list and compose a short story which sets up a situation involving an indirect cost. If students so wish, allow them to make up their own situation. The listing is provided to assist students who may not be able to think of their own situation. After stories are written, the class can break into small groups to discuss alternative solutions for each situation.

### 3. Give an Example Contest

Make a large wall chart with five columns titled as follows:

- A. Prohibition
- B. User fee
- C. Subsidy
- D. Nothing
- E. Other

Randomly divide the class into three or four teams and explain that the contest is going to be held for one week. At the end of the week the winning team is the one which can add to the chart, (a) the most real world examples of indirect cost situations which have been handled in the listed ways, with (b) a minimum of one example in at least three categories. As students think of examples they are to add them to the wall list as soon as possible for once a team has listed a situation another team can not use that same example. Team names should be written next to listed items.

## Give an Example Contest (continued)

At the end of the week, the winning team might be given a prize.

### 4. The Careless Animal

A. Read the book, The Careless Animal (Doubleday & Co., Inc., 245 Park Avenue, New York, NY, 10017, 1975) to the class. In this book nine cases are described where private actions have had unexpected results on the environment in different locations throughout the world. As cases are read to the class discuss the problems that result when the private costs of an action do not equal its societal costs. The role of government in controlling external costs can be introduced. For each case have students identify the indirect cost(s) and propose alternative solutions.

The teacher may wish to order a copy of Learning Economics Through Children's Stories (see bibliography). This publication lists over two hundred children's books and identifies economic concepts which can be taught using these books.

B. Other books which can be read to the class to reinforce the concept of indirect costs are Our Dirty Land, 1976, and Our Dirty Air, 1971, (Julian Messner, Division of Simon and Schuster, Inc., 1230 Avenue of the Americas, New York, NY, 10020).

LEARNING CENTER - LESSON 14

"Innocent Bystanders"

by

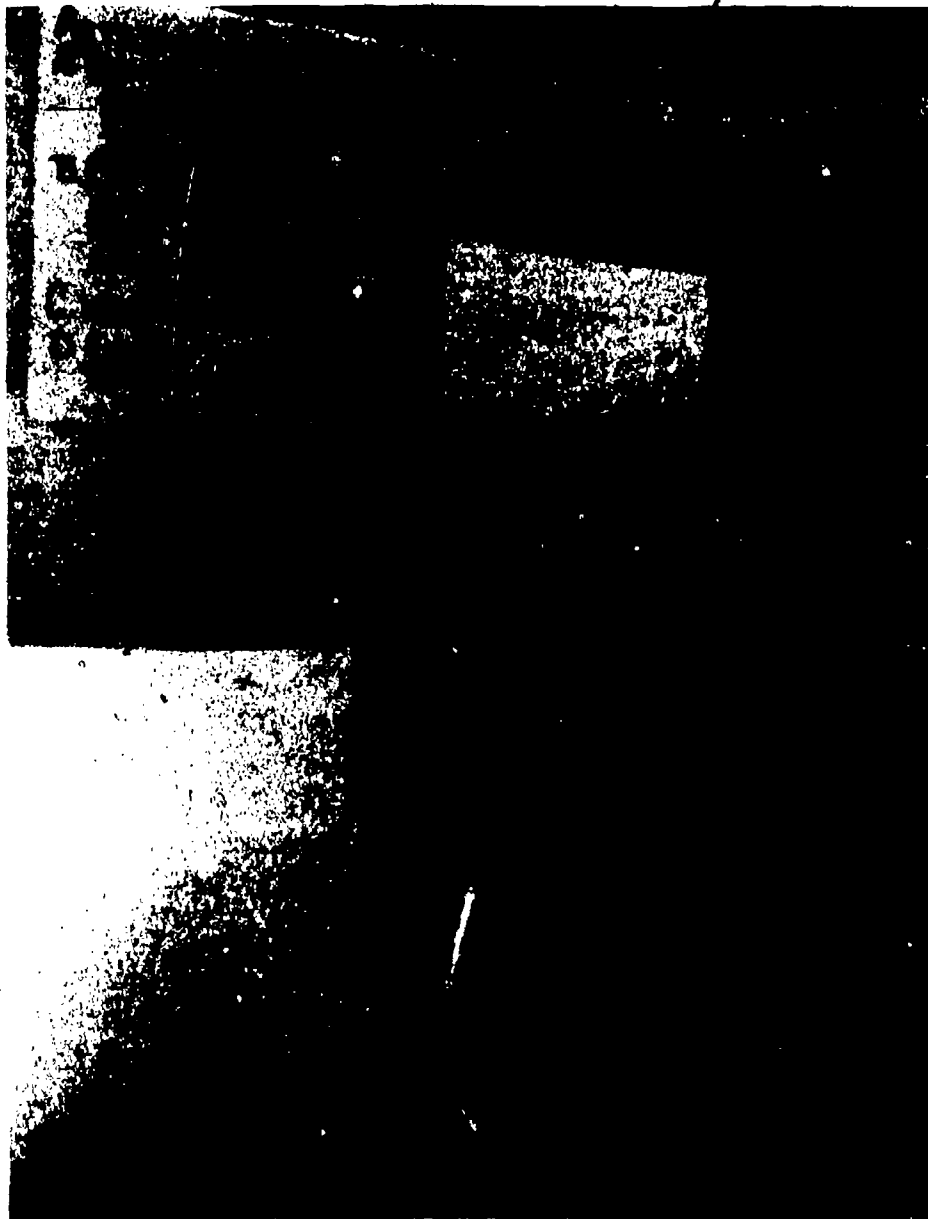
Cindy Thompson  
Randall Thompspon



## Activity 1

### "What Do You Know?"

- A. Based on what you saw in "Innocent Bystanders" write a paragraph explaining the meaning of "indirect cost."
- B. Can you suggest any other alternatives for the Miller family and their neighbors to take under consideration?
- C. What is the answer?
- D. Explain how "rights" can sometimes overlap.



## Activity 2

### "Vocabulary Building"

Get a dictionary off of the bookshelf and look up the following definitions. Write the definition beside the term.

DIRECTIONS: Each of the following terms will be used in some manner in this learning center. It is important for you to be able to recognize them and use them.

Alternative -

Criteria -

Infringe -

Mediator (mediate) -

Participant -

Recipient -

Situation -

Solution -

Select the word from the list above (or a form of the word) which would best fit in the blank in each of the following sentences.

1. The \_\_\_\_\_ became unbearable when the teacher was interrupted for the fifteenth time in one hour.
2. Each \_\_\_\_\_ in the game received a set of cards and a token to represent them on the game board.
3. The principal served as the \_\_\_\_\_ in the discussion between the parents and the teacher.
4. The obvious \_\_\_\_\_ to the problem was for the first passenger to slide to the left to allow the second passenger to get into the car.
5. The \_\_\_\_\_ of this year's award is Miss Holly Hobby.
6. My rights were \_\_\_\_\_ upon when you turned the stereo on.

Activity 2 (continued)

- 7. There are several \_\_\_\_\_ to the problem.
- 8. Based upon the given \_\_\_\_\_ we have arrived at the answer to your problem.

Activity 3

"Interviewing"

- DIRECTIONS:
- A. Take three interview sheets from the packet.
  - B. Choose three people: (1) a person your own age, (2) an older friend, (3) one of your parents.
  - C. Explain what indirect costs are to each person you interview. Also explain the decision-making process.
  - D. Ask each person to give you an example of a personal indirect cost situation they have experienced and describe how the problem was solved.

INTERVIEW SHEET

STUDENT NAME \_\_\_\_\_ DATE \_\_\_\_\_

PERIOD \_\_\_\_\_

PERSON INTERVIEWED \_\_\_\_\_

SITUATION:

SOLUTION:

	CRITERIA			
ALTERNATIVES				

WHICH OF THE ALTERNATIVES WAS CHOSEN? WHY? 161

Activity 4

"Academy Awards Time"

- DIRECTIONS:
- A. Choose three people, including yourself.
  - B. Choose one of the situations in the packet for Activity 4. (These situations were written by your classmates in Activity 6.)
  - C. One person will be the cause of an indirect cost. One person will be the recipient of an indirect cost. The third person will be the mediator and the recorder.
  - D. The mediator will record the alternatives and criteria as they arise using the record sheet.
  - E. After a solution has been arrived at, swap roles and select a new situation card.
  - F. Continue the process until all participants have played each role.

RECORD SHEET,

NAMES OF THREE STUDENTS PARTICIPATING:

RECIPIENT OF INDIRECT COSTS \_\_\_\_\_

PERSON WHO CAUSES THE INDIRECT COSTS \_\_\_\_\_

MEDIATOR \_\_\_\_\_

DECISION-MAKING GRID: (to be filled as the situation progresses by the mediator)

	CRITERIA		
ALTERNATIVES			

WHICH ALTERNATIVE WAS CHOSEN?

WHY?



## Activity 5

### "Identify the Participants"

**DIRECTIONS:** Take the handout from the packet and follow the directions.

\* \* \* \*

#### IDENTIFY THE PARTICIPANTS

NAME \_\_\_\_\_

IN EACH OF THE FOLLOWING SITUATIONS YOU MUST CHOOSE WHICH PERSON IS THE CAUSE OF THE INDIRECT COST AND WHICH PERSON IS THE RECIPIENT OF THE INDIRECT COSTS. FIND OUT WHO THE MEDIATOR IS AND THEN DECIDE ON THE SOLUTIONS TO THE PROBLEM.

Jerry and Shane are brothers. Jerry has been saving for months in order to buy a used car. This car is being sold at bargain costs due to the fact that it is a fifteen-year-old car with a leaking convertible top.

Shane is interested in wood-working and is planning to make some money for Christmas by putting his skill to work. He has chosen to place his work bench and tools in the family one-car garage.

1. Who is causing the indirect cost to whom?
2. What is the problem?
3. Using a decision-making grid, arrive at a solution to the problem.

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Mr. and Mrs. Jones have bought a new ranch-style home in a beach community. Their home is not directly on the beach, but when they bought the home there was an excellent view from their sliding glass patio door. They enjoyed each evening watching the sunset from their patio.

Mr. and Mrs. Jones' neighbor has decided to install a swimming pool in the backyard. For insurance and safety purposes, they built a fence around the yard. This fence will block the Jones' view of the beach and thus they claim will lower the value of their home.

1. Who is causing the indirect cost to whom?
2. State the problem.
3. Using a decision-making grid, arrive at a solution.

## Activity 5 (continued)

The state highway department has decided to build a road which will go directly through an existing subdivision. There is already a road in existence in this subdivision, but it is a dead end road. The highway department is planning on widening the road and continuing it so that it would connect to the state highway, thus making the road in the subdivision, in reality, a state highway.

1. Who is causing the indirect cost to whom?
  2. What will the probably results of this road be?
  3. What will happen to the property value of this subdivision?
  4. Use a decision-making grid to arrive at a solution.
- 



## Activity 6

### "Creative Writing"

Create a situation in which an indirect cost is involved. Write a story which includes a description of the situation, the people involved, alternative solutions to the problem and the process by which the problem situation was resolved. When completed, put your paper in the packet for Activity 4.

## LESSON FIFTEEN

### "Helping Out"

OBJECTIVES: Students will be able to:

1. Give examples of situations involving indirect benefits.
2. Propose alternative methods of increasing indirect benefits, outlining the advantages and disadvantages of each method.
3. Apply the decision-making process to a problem involving indirect benefits.

### VOCABULARY:

1. Indirect benefit - An advantage which occurs when the actions of some people are helpful to others not directly involved.
2. Fine - A sum of money paid as a punishment for not doing something as directed or required by law.
3. Licensed - Having permission by law or a competent authority to engage in a business occupation or activity otherwise unlawful, e.g., licensed to drive an automobile.
4. Responsibility - Obligation; trustworthiness; reliability.

### PRE-VIEWING ACTIVITIES

1. Who Benefits Directly? Indirectly?

About four days before viewing program fifteen, choose one student and ask him to help the class by sharpening everyone's pencil each morning.

Before viewing the program, ask the class to help evaluate the situation. In written or oral form, the class should:

1. State what the student pencil sharpener did (who worked).
2. State who benefitted.
3. Did anyone other than the students who had their pencils sharpened benefit? What benefits did they receive? Explain the term "indirect benefit."
4. Are indirect benefits desirable? If so, how can the class increase the indirect benefits?

2. Community Service Organizations

Before viewing the program, ask students to make a listing of service organizations operating in their community (e.g., Lions Club, Kiwanis, Girl Scouts, etc.). Give the class an opportunity to discuss what these organizations do in the community. Point out the indirect benefits which accrue to the community as a result of projects conducted by these organizations.

Ask the class to think of a project they might do that will benefit the class, the school or the community. Make a list of projects on the board. Beside each one put who will be benefitted. Ask:

1. Will your project cost the class, school, or community anything?
2. How will your project benefit someone other than the class members.
3. Explain that these benefits to others are called "indirect benefits."

POST-VIEWING ACTIVITIES:

1. Who Else Benefits?? (Taken from Workshop Leader's Manual, Joint Council on Economic Education, New York, New York, 1978, p. 106.)

Present the following examples to reinforce the concept of external benefits to people not directly involved in transactions. For each example ask, "Who not directly involved in the transaction might receive benefits?"

- A. First-aid class in which child or his parents pay for lessons.
- B. Building of a dam by a private utility company to generate electricity.
- C. Homeowner pays someone to paint his house.
- D. Student pays his own college tuition and later becomes famous artist.
- E. Factory trains workers who then leave the area to work elsewhere.
- F. Farmer incurs the expense of contour farming.

Encourage students to think of other examples to present to their classmates for analysis.

2. Underproduced Goods and Services

LOCAL YOUTH INJURED IN BIKE MISHAP

Thirteen year old Jennifer Bogis, of this city, was injured yesterday evening while riding her bicycle along Route 13. According to observers Jennifer was riding north in the southbound lane when struck by an oncoming automobile. The bicycle had no lights or reflectors and the driver of the automobile stated that he had been unable to see the rider until too late. Jennifer was taken to the hospital where she was treated for abrasions. She is listed as in good condition.

According to City Councilman Harold Brown, "This is one example of the need for a bike safety program for kids." Councilman Brown estimated that such a program would cost approximately \$20 per child. He suggested that the Council subsidize such a program and offer it free to young bicyclists.

1. Why might market intervention be necessary? (The market price of bicycle safety courses is too high and the benefits are underproduced.)
2. What other alternatives are available? (Do nothing, license bicycle riders and require the course before issuing the licenses, subsidize the course so that more people will take it.)
3. What criteria might be used to evaluate the alternatives? (Safety, rider's freedom, rider's responsibility, "who benefits?")
4. How would you evaluate the alternatives? Use a decision-making grid.)
5. Which alternative would you choose? Why?

Discuss situations in which market intervention is usually needed to increase indirect benefits. Some suggested examples are public education, boat safety, Red Cross life saving courses, and keeping sidewalks in front of private homes free of snow and ice.

3. Public Transportation Issue

A. Read to the class the following information:

In a large city two counties support a public transportation system. The system has inexpensive bus rides (15¢) and underground trains.

The city is composed of three (3) counties. The third county does not contribute tax money to public transportation and, therefore, no buses or trains go into the third county.

Discuss with the class if the idea of serving the counties who pay seems to be the best. Ask for alternatives (remind students the third county will not contribute tax money). Record alternatives on the board.

Tell the students that even though buses do not travel into the third county, people from the non-paying county ride the buses and trains. They drive to the county line, leave their cars and ride the fast buses and trains.

B. Discuss orally the situation by responding to the following questions of activities:

1. Who pays?
2. Who benefits?
3. Are people getting benefits who do not pay?
4. If you think it is undesirable for people who do not pay to receive this benefit, what could be done to see that everyone who benefits pays a "fair share."

C. You may wish to have students analyze the proposed alternatives using a decision-making grid.

#### 4. Building a Flower Bed

Materials: Top soil, 4 boards, railroad ties or rocks, fertilizer, small plants.

- A. As a class project, build a flower bed outside your classroom. Give each student responsibilities for the flower bed.
- B. After the flower bed is complete, discuss these questions:
  1. Who paid for the materials?
  2. How many people worked to build the flower bed?
  3. How did we (the builders) benefit from the flower bed?
  4. Did anyone outside our class benefit from our work? Who?
  5. What do we call the benefits that others (outside our class) received from our flower bed?

5. Analyzing Situations

Read each of the following situations to the class. Following each situation ask:

1. What was the indirect benefit?
  2. Who received the indirect benefit?
  3. What event(s) brought about the indirect benefit?
  4. What might be done to encourage more of the indirect benefit to be produced?
- A. Jack and Tom had nowhere but the street to practice ball. Then one day they noticed the overgrown empty lot had been cleared out. A sign posted in the front read: "Project of South Elementary School Girl Scout Club."
- B. The Jones lived in a normal middle-class neighborhood. One day a new family named Brooks moved into the empty house next door to the Jones. The Brooks worked very hard painting, repairing, trimming grass and shrubs. Soon a pool was built in the backyard with a terrace and sundeck. Mr. Brooks had a professional landscaper put the finishing touches on his lawn. Several months went by, and Mr. Jones was notified that he was being transferred to another city. When Mr. Jones sold his house, he was surprised to receive a much higher price than he expected from the buyer.

Have students create similar situations to present to the class for discussion.

6. Wacky Words

In some ways, it would be convenient if a word was connected to what it refers to. Then its meaning might seem much clearer.

Suppose a word had to imitate itself. Suppose it had to reflect its meaning. For example,

INFLATION                      C O S T

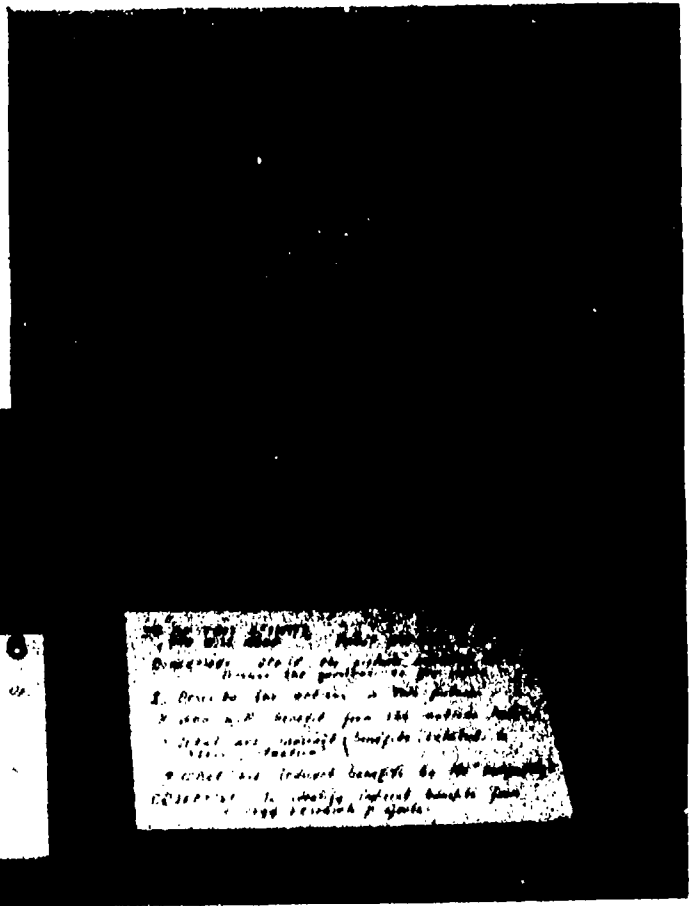
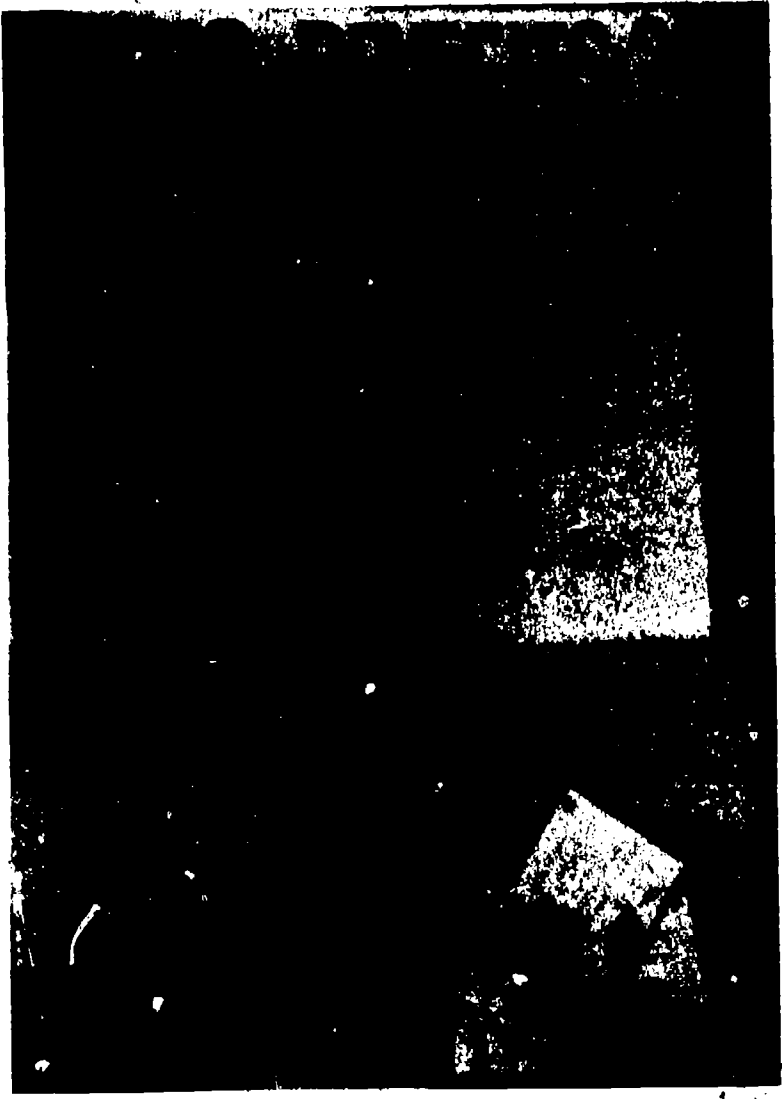
Have students design a few "Wacky Words" using economic terms. After creations are shared with the class, a group of students might construct a display board of "Wacky Words in Economics."

LEARNING CENTER - LESSON 15

"Helping Out"

by

Marsha Goerss  
William Greene  
Ruby Howard

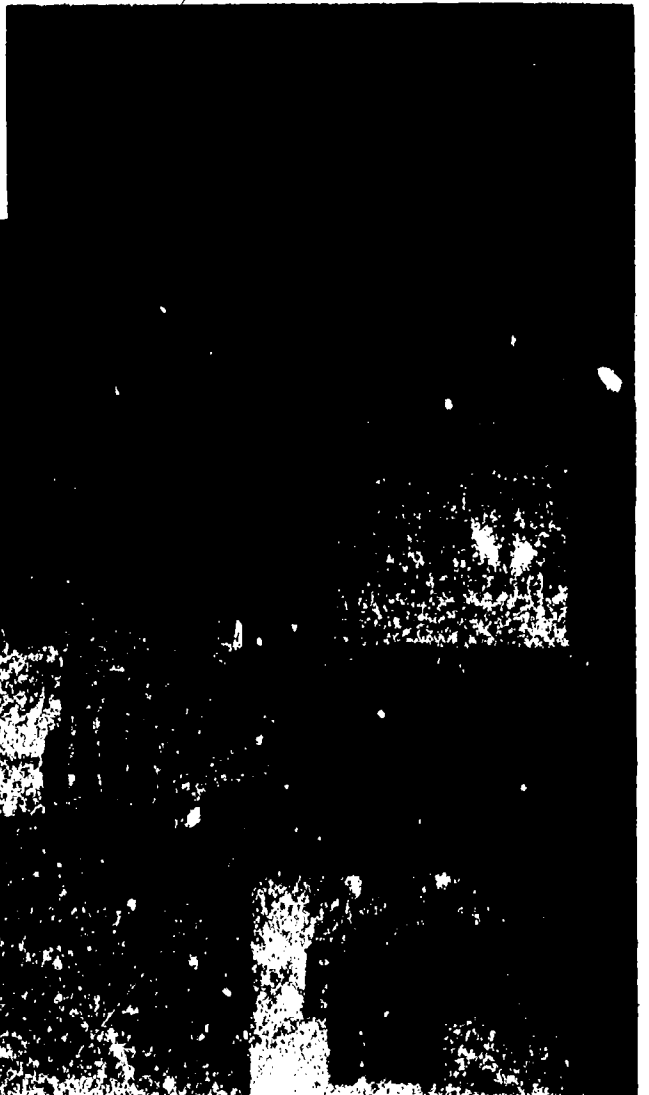


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LEARNING CENTER - LESSON 15 (continued)



## SELECTED RESOURCE MATERIALS

Most of the following resources have been selected from the Workshop Leader's Handbook, Joint Council on Economic Education, New York, NY, 1978. The annotation briefly describes the materials and delineates whether it can be used with the entire Trade-off series, one specific lesson or a grouping of lessons.

An American Account: The Story of Banking. Free loan film on the history of money and banking in the United States. Modern Talking Picture Service, 2323 New Hyde Park Road, New Hyde Park, NY 11040, (Lesson 9).

Automation: Promise or Threat. Color filmstrip and cassette which explores some of the advantages and disadvantages of automation. Guidance Associates, 757 Third Avenue, New York, NY 10017, (Lessons 5-7).

Beyond Simulation: The Mini-Society Approach to Instruction in Economics and Other Social Sciences by Marilyn Kourilsky. Description of how students can develop their own economic society in the classroom. Educational Resources Associates, 1110 Glendon, Suite 945, Los Angeles, CA 90024 (General).

Checking Out Checks. Filmstrip and cassette. Public information Department, Federal Reserve Bank of New York, New York, NY 10045 (Lesson 9).

Choice: A Handbook of Ideas to Motivate the Teaching of Elementary Economics. Over 100 practical ideas and activities covering many basic concepts. Social Studies School Services, 10000 Culver Boulevard, PO Box 802, Dept. E, Culver City, CA 90230 (General).

Decisions! Decisions! (a simulation). Students become participants in the decision-making process. Innovative Education, Inc., 201 Shagbark Drive, Rochester, NY 48063, (Lessons 1-4).

Economic Education Curriculum Guide, K-12. Description of economic activities included in Oklahoma social studies curriculum. Single copies free from Dr. Clifford Wright, Director of Curriculum, State Dept. of Education, 4545 N. Lincoln, Suite 18, Oklahoma City, OK 73105, (General).

Economic Education Experiences of Enterprising Teachers: Volumes 10-15. Prepared annually to describe the entries submitted in the National Teacher Awards Program for Excellence in Teaching Economics. Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10036, (General).

Economic Education for Arkansas Elementary Schools. Description of content and activities in economic education for different grade levels of the elementary school. Arkansas Council on Economic Education, State Dept. of Education, Little Rock, AR 72201, (General).

An Economic Primer: \$\$\$ to Donuts. Four color filmstrips and cassettes, 3 card sets, poster, masters and teacher's guide. Presents basic concepts of economics and raises questions about the social costs of economic decisions. Prentice-Hall Media, Englewood Cliffs, NJ 07632, (General).

Economics Action Pack. Booklet containing teacher's instructions, ditto masters and excellent simulation game on supply, demand and equilibrium price for grades 4-8. McDonald's Action Packs, Box 2594, Chicago, IL 60690, (Lessons 10-12).

An Economics Course for Elementary Teachers. Designed to demonstrate to classroom teachers "how to teach" economics to children, grades 1-9. Joint Council on Economic Education, New York, NY, 1975, (General).

Economics for Decision-Making by James D. Calderwood and George L. Ferish. High school textbook can serve as a teacher reference book and guide for better students. Macmillan, Inc., 866 Third Avenue, New York, NY 10022, (General).

The Economics of Pollution. Filmstrip and cassette with teaching suggestions. Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10026, 1972, (Lessons 14-15).

Economics of Productivity. Teacher reference and suggestions for classroom activities. One of the Economic Topic Series. Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10026, (Lesson 5).

Educational Games and Simulations in Economics. Includes a listing of 130 games for use at the elementary and secondary levels. Joint Council on Economic Education, New York, NY, 1974, (General).

Fundamental Facts about United States Money. A description of U.S. currency and coins. Research Department, Federal Reserve Bank of Atlanta, Atlanta, GA 30303, (Lesson 9).

Games and Simulations for Teaching Economics in the Elementary Grades. An annotated bibliography of games and simulations. Charlotte T. Harter, Center for Economic Education, Oregon State University, Corvallis, OR 97331, (General).

Government (American Enterprise Series). Excellent thirty-minute film on the role of government in the American economy, available on a free loan basis. Modern Talking Picture Service, 2323 New Hyde Park Road, New Hyde Park, NY 11040, (Lessons 14-15).

Government and the Economy: A Resource Unit for Grades 7, 8 and 9.

A collection of suggested activities from which teachers can select those best suited for their own classroom use. Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10036, 1974, (Lessons 14-15).

A Guide to Trade-offs. Teacher's manual for the fifteen lesson Trade-offs series. Agency for Instructional Television, Box A, Bloomington, IN 47401, (General).

Innovation (American Enterprise Series). Excellent thirty-minute color film on the role of technological innovation in the development of the American economy (available on free loan basis). Modern Talking Picture Service, 2323 New Hyde Park Road, New Hyde Park, NY 10040, (Lessons 7-8).

In the Marketplace. Teaching unit on the American economic system for eighth grade which contains an excellent simulation game on supply, demand and equilibrium price. Superintendent of Public Instruction, Olympia, WA 98504, (Lessons 10-12).

Introducing Economics. Fifty-two page booklet which gives excellent practical examples of major economic concepts. Banking and Public Services Department, Federal Reserve Bank of Boston, Boston, MA 02106, (General).

It's a Capital Idea. Four color filmstrips and records or cassettes on the importance of capital investment. Walt Disney Educational Media Company, 500 South Buena Vista Street, Burbank, CA 91521, (Lesson 7).

It's All Mine. Ten-minute free loan film which introduces elementary children to an understanding of the relationships between saving and investment. Modern Talking Picture Service, 2323 New Hyde Park Road, New Hyde Park, NY 11040, (Lesson 7).

Junior High School Test of Economics (Grades 7-9). Evaluative instrument consisting of 40 questions to measure learning of economic concepts at the junior high school level. Joint Council on Economic Education, New York, NY, 1974 (Package of 25 test booklets; Interpretive Manual and Rationale), (General).

Kingdom of Mocha. Twenty-seven minute, color film (free loan) on a mythical society whose interesting citizens experience rapid change as their economy develops from a primitive, barter economy to a modern, complex one. Modern Talking Pictures, 2323 New Hyde Park Road, New Hyde Park, NY 11040 (for teaching booklet write to Teaching Aids, Kingdom of Mocha, PO Box 5910-A, MC, Chicago, IL 60680), (General).

Learning Economics Through Children's Stories. Annotated bibliography of children's literature books useful for teaching elementary economics. Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10036, 1978, (General).

Life on Paradise Island by Harmon W. Wilson and Roman F. Warmke. A good basic text on economics for junior high or middle school students. Concepts are introduced through a story of life on an imaginary island. Scott, Foresman Publishing Company, Glenview, IL 60025, 1970, (General).

Making the Things We Need. Fourteen-minute color film which introduces the concept of division of labor/specialization. Encyclopedia Britannica Educational Corporation, 425 N. Michigan Avenue, Chicago, IL 60611, (Lesson 6).

Market: A Simulation Game. Teaches basic economic concepts of supply and demand and the role of retailers and consumers. Benefic Press, 103 West Roosevelt Road, Westchester, IL 60153, (Lessons 10-12).

Master Curriculum Guide in Economics for the Nation's Schools, Part I - A Framework for Teaching Economics: Basic Concepts and Part II - Strategies for Teaching Economics: Primary (K-3), Intermediate (4-6). A concise statement of basic concepts and generalizations for teaching economics in the school and concept-oriented teaching resources for grade placement and implementation. Joint Council on Economic Education, New York, NY 10036, 1977-1978, (General).

Mini-Society by Marilyn Kourilsky. Implementation kit for helping students to develop their own economic society in their classroom. Reality Systems, Inc., PO Box 35118, Los Angeles, CA 90035, (General).

Money, Banking and The Federal Reserve System. An instructional unit to teach the concepts of money and our financial system. Includes transparencies, masters to be made into dittos for classroom exercises and an instructor's guide. Federal Reserve Bank of Minneapolis, Office of Public Information, Minneapolis, Minnesota, (Lesson 9).

Our Economy. Six filmstrips and cassettes, elementary (4-6) series which illustrates mediums of exchange, value of labor, collective bargaining, supply and demand, banks and taxes. Ideal School Supply Company, 11000 South Laverne Avenue, Oak Lawn, IL 60453, (General).

People (American Enterprise Series). A look at the individuals behind our economic system; traces the role of human effort in economic growth from colonial times to the present. Free loan film from Modern Talking Picture Service, 2323 New Hyde Park Road, New Hyde Park, NY 10040, (Lesson 8).

The People on Market Street Series. Seven 16mm films or filmstrip kit covering concepts of scarcity and planning, cost, demand, supply, market clearing price, wages and production, and property rights and pollution. Walt Disney Educational Media Company, 500 South Buena Vista Street, Burbank, CA 91521 (General).

Pink Pebbles: A Game About How Money Began. Game board which helps students to experience both barter and a medium of exchange, "pink pebbles." Social Studies School Services, 10000 Culver Blvd., Culver City, CA 90230, (Lesson 9).

River City (a simulation for grades 4-9). Simulation where students make decisions and clarify problems concerning the impending loss of an industry to a city. Social Studies School Services, 10000 Culver Blvd., Culver City, CA 90230, (Lessons 1-4).

The Social Studies: What Is Economics? Two filmstrips and cassettes with teacher's guide; a general introduction to the discipline of economics. Guidance Associates, 757 Third Avenue, New York, NY 10071, (Lesson 1).

The Story of Checks. Interesting comic book presentation on the history of checks and the Federal Reserve. Public Information Department, Federal Reserve Bank of New York, 33 Liberty Street, New York, NY 10045, (Lesson 9).

Trade-off Series. A series of ten sound filmstrips adapted from the original series of fifteen film/videotape lessons. Media Basics, Inc., Larchmont Plaza, Larchmont, NY 10538 (General).

Transact. A simulation game which does an especially good job of teaching the concept of market clearing price. Addison-Wesley Publishing Company, 2725 Sand Hill Road, Menlo Park, CA 94025, 1974, (Lessons 10-12).

Why People Have Special Jobs: The Man Who Made Spinning Tops. Seven-minute color film which points out advantages of the specialization of labor. Learning Corporation of America, 1350 Avenue of the Americas, New York, NY 10019, (Lesson 6).

Why We Use Money: The Fisherman Who Needed a Knife. Eight-minute color film that illustrates well the advantages of money over bartering. Learning Corporation of America, 1350 Avenue of the Americas, New York, NY 10019, (Lesson 9).