



TEACHING UNIT

General Topic: **The Economy: The Basics – and Key Issues**
Unit Title: **Production and Trade**
Grade Level: **Grade 7**
Recommended Curriculum Area: **Geography**
Other Relevant Curriculum Area(s): **Language Arts, History**



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Geography Curriculum Expectations

- explore the many ways that people acquire and use natural resources, and the environmental impact of these actions
- discover how factors such as demand and accessibility determine the importance of resources

Relevant Language Arts Expectations

Speaking

- 2.1** – identify a range of purposes for speaking and explain how the purpose and intended audience might influence the choice of speaking strategies
- 2.2** – demonstrate an understanding of appropriate speaking behaviour in most situations, adapting contributions and responses to suit the purpose and audience
- 2.3** – communicate orally in a clear, coherent manner, using a structure and style appropriate to both the topic and the intended audience

Reading

- 1.1** – read a wide variety of increasingly complex or difficult texts
- 1.2** – identify a variety of purposes for reading and choose reading materials appropriate for those purposes

History

- formulate questions to facilitate research on specific topics

Relevant Economic Expectations

- The basic economic questions every society must answer – what to produce, how to produce, and how to distribute
- How Canada's economy answers the basic questions
- Factors affecting the level of production and employment in an economy
- The exchange of products and services take place in markets and at prices set by the decisions of the buyers and sellers
- Factors that can affect prices in the economy
- Why countries engage in trade and how both countries can be better off after trade
- Examples of Canadian imports and exports
- The concepts of: International Monetary Fund, Foreign Exchange, and Exchange Rate

Background Information

Students need to understand basic economic concepts. This unit will help them to understand how Canada's economy works. Students need to be aware of Canada's exports and imports. They will consider the advantages and disadvantages of trading with other countries.

Overview of the Unit

The class will view two episodes of “Seinfeld” to help them understand some basic economic concepts. After viewing, creating a list and discussing these concepts, WHAT IS PRODUCED, FACTORS AFFECTING PRODUCTION and FACTORS AFFECTING PRICES, the students will be put in groups to research different topics on Canada’s economy. The groups will then present their findings to the class. A self or group evaluation worksheet will be completed. In the last period the class will participate in a game to learn about trade and globalization. Following the game, the teacher will lead a discussion about their experiences playing the game, and the pros and cons of Canada trading with other countries.

Estimated Time Frame: 5 periods - 60 minutes each

Suggested Implementation Strategy

Period 1 – 60 minutes

- This lesson introduces the economic concepts of deciding what to produce, the factors that affect production and the factors that affect prices.
- Write on the board the following headings:
 - WHAT IS PRODUCED
 - FACTORS AFFECTING PRODUCTION
 - FACTORS AFFECTING PRICES
- Instruct the class that they will be watching two video clips from The Economics of Seinfeld. After viewing the video clips there will be a discussion and a list created for each concept heading.
- First the class will view a TV clip called “The Muffin.” In this clip, Elaine and her old boss find that selling just the tops of muffins is more profitable than selling the whole muffin (which consists of the top + the stump). So, are the top and the stump complements or substitutes? Neither — the stumps are economically bad, which reduce utility. Evidence for this is found in the fact that homeless people won’t eat the stumps that the muffin-top restaurant throws away, unless they come with the tops as compensation.
- After the video, ask “What was produced and why was it produced? How do companies decide what to produce? Answers should be recorded on the board.
- The second clip called “The Bottle Deposit” will be viewed. Kramer and Newman hatch a scheme to arbitrage bottles from New York, where the deposit is 5 cents, to Michigan, where the deposit is 10 cents. They can’t figure out how to make the costs work; gas is too expensive (variable costs), and there’s too much overhead (fixed costs of tolls, permits, etc.) with using a semi to haul the bottles in volume. Finally, they hatch a scheme to use a mail truck, which lowers their variable and fixed costs to zero.
- After the video, ask what factors affect prices. Answers should be recorded on the board. Here is the link to both episodes.
 - The Muffin — <http://yadayadayacon.com/clip/86/>
 - The Bottle Deposit — <http://yadayadayacon.com/clip/76/>

Period 2 – 60 minutes

- Today the class will be divided into five groups. Each group will be given a research assignment. Encourage each group to be creative in how they report their research. Explain that the presentation to the class should be about 5-10 minutes.
 - Before starting, show the students the evaluation sheet that they will complete.
 - The teacher will decide which evaluation form to use. (There is a handout for a self group evaluation sheet and a group evaluation worksheet.)
 - The topics for group research are:
 - What is produced in Canada?
 - What is exported from Canada?
 - What is imported to Canada?
 - How are things produced in Canada?
 - How are things distributed in Canada?
- Allow the rest of the period to start this, and it will be continued next period.

Period 3 – 60 minutes

- Allow this time for further research and time for the groups to meet and share their findings and prepare their presentation.

Period 4 – 60 minutes

- This period is for the group presentations.

Period 5 – 60 minutes

- Begin the period by writing IMF on the board and asking if anyone knows what this is.
- Explain what the International Monetary Fund (IMF) purpose is.

Trade barriers restrict the choices people and countries have in international markets. The IMF helps develop the monetary policies that allow free trade, giving everyone more opportunities to both buy what they want and sell what they produce.

It was created so people from different countries can **buy or sell** anything to each other. Buyers have to be able to change their money from their country's currency to the seller's national currency. This is called "**foreign exchange.**" Each currency, whether it's a Canadian dollar or the Haitian gourde, has a value in terms of other currencies. This is the "**exchange rate.**" Without a reliable supply of foreign exchange in each country, and without relatively stable exchange rates, world trade would **drop drastically.** You wouldn't be wearing tennis shoes made in Asia, or eating an apple grown in New Zealand.
- Direct the class to an online game called "Trading Around the World." Students will have a chance to experience the challenges and excitement of international trade. Before starting the game they need to pick a goal and think about what they want to accomplish as a trader.

(Remind the students to jot down their game number so they can return to the game another time.)

<http://www.imf.org/external/np/exr/center/students/trade/index.htm>
- Stop the game in time to lead a discussion about the challenges in the game.

Ask questions such as:

 1. Why were certain goods assigned to a particular country?
 2. Did bartering get a better price for their goods?
 3. What happened if you asked for too much money for your goods?
 4. Did you ever feel you paid too much for something?
 5. What are the advantages and disadvantages of trading with other countries?
 6. Did they reach their goal?

Possible Evaluations

1. The class participation after viewing the TV can be recorded.
2. The students will assess either their own or the group's effectiveness.
3. The group presentations can be assessed by the teacher.
4. Assess their understanding of international trade during the discussion after playing the game.

Modifications or Suggestions For Different Learners

1. Students who watch the videos will gain a better understanding during the discussions.
2. Everyone can play a role in the group assignments and presentations. Students can be partnered to play the online trading game.

Follow-Up Internet Activities

1. Allow students to play online money management games at :
<http://bizkids.com/games/dollar-a-glass>
<http://piggybank.disney.go.com/game/>
2. Read an online article on Why Nations Export at:
<http://www.globalization101.org/why-do-nations-export/>
3. Access another online trading game. Students become international traders from one of six continents: Asia, Africa, Australia, Europe, North America or South America. They negotiate prices with buyers and sellers from the other continents. Sometimes they are thwarted from trading by barriers, and they come to understand how the IMF, by fostering free trade, enhances the flow of goods and services worldwide.
https://www.imf.org/external/np/exr/center/econed/g_trade.htm

Handouts

1. Self and Group Evaluation worksheets.

Student Self-evaluation Form for Group Work

Name: _____

Date: _____

	Seldom	Sometimes	Often
Contributed my ideas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Listened to and respected the ideas of others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Positively encouraged others in my group and other groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compromised and co-operated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Followed the direction of others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Helped to solve problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Concentrated when working	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Took risks by exploring something new to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Did my share when working in a group _____

What did I contribute to the process? _____

What problem(s) did I have to solve while I was working and how did I try to solve the main problem I faced?

What have I learned from this particular experience and how could I apply what I've learned to other projects and/or everyday life?

My two greatest strengths from the above list are:

1. _____

2. _____

The two skills I need to work on from the above list are:

1. _____

2. _____

Group Work Evaluation Checklist

Student's name: _____

A- Reflect on the work you and your peers have carried out as a team. Assess your performance on the following aspects. **Highlight** the corresponding option.

- | | | | | |
|--|-----------|------------|------------|------------|
| 1. Helped each other. | All of us | Most of us | Some of us | None of us |
| 2. “Listened” to others’ ideas. | All of us | Most of us | Some of us | None of us |
| 3. Defended our ideas. | All of us | Most of us | Some of us | None of us |
| 4. Actively participated | All of us | Most of us | Some of us | None of us |

B.- **Highlight** the statement that best expresses the work of your group on each aspect:

1. Effective use of time

- a. Much time spent without purpose
- b. Got off track frequently
- c. Did well, once we got our ideas clear
- d. No wasted effort, we stayed on target.

2. Development of Ideas

- a. Little done to generate ideas
- b. Ideas were imposed on the group by a few.
- c. Friendly sessions but not creative
- d. Ideas were encouraged and fully explored.

3. Ability to Decide Issues

- a. Poor resolution of differences.
- b. Let one person rule the group.
- c. Made compromises to get the job done.
- d. Genuine agreement and support.

4. Overall Productivity

- a. Did not accomplish our goal.
- b. Barely accomplished the job
- c. Just did what we had to.
- d. Held a highly productive session.

Other Comments: _____
