



The Economy

Lesson Plans

Quick Access Links:

[Money Moves](#)

[The Global Economy](#)

[Economic Cycles](#)

[The Value of Money](#)

[The Economics of Economics](#)



Money Moves

EPISODE #105

ACTIVITIES & LESSONS

LESSON LEVEL

Grades 6-10

KEY TOPICS

- Transactions
- Supply and demand
- Non-profit businesses

LEARNING OBJECTIVES

1. Identify examples of financial transactions.
2. Become familiar with the Law of Supply and Demand.
3. Learn the difference between for-profit and non-profit businesses.
4. Learn financial terms.

EPISODE SYNOPSIS

When money moves between individuals or groups it is called a transaction. Join the Biz Kid\$ and you'll follow a single dollar bill as it moves from a depositor's hand across the counter, down to the vault, over to the Federal Reserve, and finally out to a project the bank is financing. Watch the ebb and flow of money as the kids examine the concepts of supply and demand. Learn about non-profit businesses, like a real credit union inside a high school where the students are tellers.

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

Standard 1: Take responsibility for personal financial decisions.

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Planning and Money Management

Standard 4: Apply consumer skills to purchase decisions.

Standard 5: Consider charitable giving.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education**.

Standard 1: Scarcity

Standard 5: Trade

Standard 14: Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

Standard 4: Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

Standard 7: Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

CONTENTS

- National Standards Correlations
- Lesson Prep & Screening
- Family Activity Sheet
- Biz Term\$ Worksheet
- Curriculum Connections
- Activity Worksheets
- Biz Term\$ Definitions
- Acknowledgements



LESSON PREP & SCREENING

Getting Started

Familiarize yourself with the episode ahead of time. It will serve as a springboard for student learning, discussions, vocabulary exploration, and hands-on activities. Determine what equipment is required to show the episode in your classroom and request it if needed. Choose an activity (each one takes between 45-60 minutes), and gather supplies. Students will need a pen or pencil and copies of the activity worksheets. Have fun!

Screening

Introduce the series and the episode. Explain that Biz Kid\$ is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money. Prior to playing the episode, lead your students in a discussion with the preview questions on this page.

About the Episode

When money moves between individuals or groups it is called a transaction. Join the Biz Kid\$ and you'll follow a single dollar bill as it moves from a depositor's hand across the counter, down to the vault, over to the Federal Reserve, and finally out to a project the bank is financing. Watch the ebb and flow of money as the kids examine the concepts of supply and demand. Learn about non-profit businesses, like a real credit union inside a high school where the students are tellers.

Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- What is a transaction?
- Who determines the cost of goods and services, and how is the price of an item set?
- Have you ever helped raise funds for a charitable cause?

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

Money is constantly moving as it changes hands, and is used for different purposes. Money gets its real value from transactions. The cost of goods or products is influenced by how much there is (supply) and the demand for that product. Some businesses are not for profit, and these may support charitable causes in your community. The next time you see money change hands, think about where it has come from and where it is going. Be aware of the prices we pay for things based on supply and demand, and look around your community to notice which businesses are non-profit.

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

History/Social Studies

- Using the internet or your local library, research the Export-Import Bank of the United States. When was it created? What is its purpose? What is their goal today?

Mathematics

- A company makes widgets in China. Each widget has a cost of 10 cents to manufacture, with a wholesale price of 20 cents each. There is an import tax on widgets of 2% to bring them into the United States, and a transportation cost of \$500 per batch of 1,000 widgets. Your company in the U.S. wants to import 10 batches of widgets. How much will you pay as a wholesale price? How much will you pay in import taxes? What is the transportation cost? How much will you pay altogether?

Economics

- How would life in the United States be different if the U.S. did not trade with people in different countries around the world? What is the purpose of a trade barrier, such as an import tax or quota? Do you believe that trade barriers are fair? Why or why not?

Optional Vocabulary Extensions

Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each Biz Term.

Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each Biz Term in their own words to demonstrate comprehension.



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Charitable donation
- Demand
- Earning
- Law of Supply and Demand
- Lender
- Recipient
- Seller
- Supply
- Trade
- Transaction

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ Episode Review

1. You are a _____ if you exchange a product or service for a payment.
2. The _____ says that an increase in _____ leads to a decreased price, while an increase in _____ leads to a higher price.
3. Working for money is called _____ a living.
4. A group washed cars to earn money as a _____ to support a good cause.
5. Depositing your money into a credit union or bank is called making a _____.
6. If you borrow money from someone, you are the _____ and they are the _____.
7. If you have a peanut butter sandwich, but you would rather have a tuna sandwich, you might try to _____ with another person to get what you want.



Activity #2:

SUPPLY AND DEMAND

WORKSHEET FOR STUDENTS

Directions

There is a new game system in town, the BK Box! This new game system has a limited supply. The release date is set for the most busy retail store shopping day of the calendar year in the United States.

1. What day is the most busy retail store shopping day of the year in the United States? Why?

2. How much would you pay to buy the best new game system on the market? Why would you pay that amount?

Now, think about what will happen when the new BK Box is all sold out.

3. What are some things that people might do in order to get one, even if it is sold out at retail stores?

4. If the company makes more BK Boxes and sends another batch to retail stores, what could happen to the price of this new system if the demand is high?

5. If the company makes too many BK Boxes, and they do not sell very quickly, what could happen to the price?

6. You are the business owner. What would you do: 1) squeeze the supply so prices go up, 2) make just enough to meet the demand without any leftovers, or 3) make more than enough so there are some left over. Explain why you chose the answer that you selected.

If time permits, allow students to share their answers with the class.

Activity #3:

WHERE'S GEORGE?

WORKSHEET FOR STUDENTS

Directions

In this episode, the Biz Kid\$ talked about transactions and how money moves and changes hands. On the internet, there is a special website that was started to track where your one dollar bill goes. The web address is <http://www.wheresgeorge.com> and the website is called “Where’s George?”



1. Take a look at the \$1 bill pictured above. Which President of the United States is pictured on this \$1 bill?

2. Each piece of paper money printed in the United States has its own special number, called a serial number, printed on it. What is the serial number on the \$1 bill pictured above?

3. Each piece of paper money printed in the United States also has a “Series” printed on it. It is very tiny and is located to the right of the picture. For this \$1 bill pictured above, the series “2006” is printed on the bill. What would you guess that a series number represents? _____

4. If your class has internet access, and you would like to see where this exact \$1 bill has traveled, go to this web address: <http://tinyurl.com/BKGeorge>

Using a library or the internet, learn more about the history of the United States \$1 bill.

5. What year was the design above implemented? _____

6. Who was the first person pictured on a \$1 bill in the United States? _____

If time permits, have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Charitable donation:* Giving something as a gift, grant, or contribution, usually money.
- *Demand:* The desire to own something.
- *Earning:* An amount of money that is given to you in exchange for your work.
- *Law of Supply and Demand:* An economic idea or theory that an increase in supply will cause a decrease in demand and price, while a decrease in supply will cause an increase in demand and price.
- *Lender:* A person or organization that gives something, usually money, to another person or organization on the condition that it is paid back, usually with interest as a fee for letting them borrow the money.
- *Recipient:* When you are given something as a gift or a loan.
- *Seller:* A person or business that exchanges their product or service for money.
- *Supply:* An amount of something, such as the amount of milk that a store has available to sell is their supply of milk.
- *Trade:* To give one thing in exchange for a different thing.
- *Transaction:* In financial terms, an event where money changes hands.



The Global Economy

EPISODE #120

LESSON LEVEL

Grades 6-10

KEY TOPICS

- Entrepreneurship
- Global economy
- Imports and exports

LEARNING OBJECTIVES

1. Understand how we get the products we need.
2. Identify differences between human, natural, and capital resources.
3. Recognize the interdependence of countries in meeting human wants and needs.
4. Learn financial terms.

EPISODE SYNOPSIS

Join the Biz Kid\$ as they follow the flow of imports and exports that make up the interconnected world economy. Watch as we examine how many of the things we use every day come from all over the world, discover who made them, and learn how they came to have them.

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

Standard 1: Take responsibility for personal financial decisions.

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education**.

Standard 2: Decision Making

Standard 5: Trade

Standard 14: Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

Standard 4: Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

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CONTENTS

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Screening

Introduce the series and the episode. Explain that Biz Kid\$ is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money. Prior to playing the episode, lead your students in a discussion with the preview questions on this page.

About the Episode

Join the Biz Kid\$ as they follow the flow of imports and exports that make up the interconnected world economy. Watch as we examine how many of the things we use every day come from all over the world, discover who made them, and learn how they came to have them.

Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- Where are cell phones manufactured?
- What resources are used to build the physical phone?
- What does the word 'interdependence' mean to you?
- What is a fair trade store?

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

Countries rely on each other for a variety of goods and services. Imports and exports make up the interconnected world economy. Resources include human resources, natural resources, and capital resources. The voluntary exchange of goods and services results in both parties getting something they want.

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Capital resources
- Commodity
- Exports
- Fair trade
- Global economy
- Human resources
- Imports
- Natural resources
- Outsourcing
- Trade agreement

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ Episode Review

1. Goods brought into the U.S. from other countries are _____.
2. Things like water, oil, and minerals are _____.
3. Selling a commodity where competition is fair and equal is _____.
4. Anything that is useful or has value is a _____.
5. Sending work from your company to another company or to another country is _____.
6. People are _____.
7. A commercial treaty between two or more nations is a _____.



Activity #2:

IMPORT AND EXPORT

WORKSHEET FOR STUDENTS

Directions

In the global economy, there are some products we bring in from other countries and there are some that we send out to other countries. Match the product below with the country of origin, based on what you saw in this episode of BizKid\$. Hint: Some countries are not used, others are used more than once.

- | | |
|----------------------|-----------------|
| 1. Bell pepper | Mexico |
| 2. Cherries | USA |
| 3. Vanilla | South Korea |
| 4. Chapstick | Chile |
| 5. Cocoa | Italy |
| 6. MP3 Player | China |
| 7. Marble | Latvia |
| 8. Headphones | Costa Rica |
| 9. Fur hat | Korea |
| 10. Ginger root | Arabia |
| 11. Airplanes | Madagascar |
| 12. Stone sculptures | Brazil |
| 13. Rubber | Haiti |
| 14. Corn | Vietnam |
| 15. Birch wood | Indonesia |
| 16. Coffee beans | Germany |
| 17. Steel | Venezuela |
| 18. Oil | India |
| 19. Bottled water | Japan |
| 20. Videogame | Tahiti |
| 21. Sugar | Kenya |
| 22. Cinnamon | Northern Russia |
| 23. Soccer ball | Ecuador |
| 24. Microchips | El Salvador |
| 25. Sweatshirt | France |

Have students discuss these ideas and share their answers with the class.



Activity #3:

OUTSOURCING

WORKSHEET FOR STUDENTS

Directions

When a job is outsourced, that job goes to a company or country that can do the same job less expensively. Some jobs can be done anywhere in the world, while other jobs cannot be outsourced.

1. Name one job that could be done anywhere in the world, and explain why that is true.

2. Name one job that can only be done locally, and explain why it can not be outsourced.

A new trend in the global economy is called ‘near-shoring.’ Near-shoring happens when a country like the United States wants to manufacture something for less money, but does not want to pay a lot for transportation or import taxes, so they try to find a nearby country like Canada or Mexico to manufacture their products. These countries are ‘near’ to the US so products can be delivered by truck instead of by boat, and there are trade agreements that reduce or eliminate import costs.

3. Name one product that is currently made in the U.S. that could be made in Canada or Mexico and then imported?

4. What is the name of the trade agreement between the United States, Mexico, and Canada?

Have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Capital resources*: Buildings, tools, and machines used to produce goods and services.
- *Commodity*: Anything that is useful or has value.
- *Exports*: Something shipped, sent, or transported for sale or exchange to other places or countries.
- *Fair trade*: To sell a commodity under an agreement where competition is equal.
- *Global economy*: The international marketplace, where products and services compete with all other countries and companies.
- *Human resources*: People and their abilities, skills, knowledge, training, and experience.
- *Imports*: To bring in merchandise, commodities, workers, and such from another place or country.
- *Natural resources*: Items that come from the earth, such as rocks and minerals.
- *Outsourcing*: When you use a company that is not your own or a country that is not your own for part of your business production, manufacturing, or services.
- *Trade agreement*: A business treaty between two or more nations.



Economic Cycles

EPISODE #208

LESSON LEVEL

Grades 6-10

KEY TOPICS

- Entrepreneurship
- Economic cycles
- Bull and bear markets

LEARNING OBJECTIVES

1. Identify economic cycles.
2. Recognize how businesses are affected by the economy.
3. Identify economic opportunities.
4. Learn financial terms.

EPISODE SYNOPSIS

Trends in the economy go up and down. Learn how trends can affect a business. Discover how you can protect yourself against negative effects and plan for positive trends.

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy.**

Financial Responsibility and Decision Making

Standard 1: Take responsibility for personal financial decisions.

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Planning and Money Management

Standard 6: Develop a personal financial plan.

Saving and Investing

Standard 3: Evaluate investment alternatives.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education.**

Standard 2: Decision Making

Standard 14: Entrepreneurship

Standard 18: Economic Fluctuations

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects.*

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

Standard 4: Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

Standard 7: Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

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Getting Started

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Screening

Introduce the series and the episode. Explain that Biz Kid\$ is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money. Prior to playing the episode, lead your students in a discussion with the preview questions on this page.

About the Episode

Trends in the economy go up and down. Learn how trends can affect a business. Discover how you can protect yourself against negative effects and plan for positive trends.

Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- What do people mean when they say ‘what goes up must come down?’
- Did you know that the economy moves in cycles?
- If the economy moves in cycles, and if things that go up come down again, what does that mean for your business, your bank account, and your investments?

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

Financially educated people know that the economy is constantly changing, that there will be good times and bad. Timing is everything with regard to economic cycles. There are cycles of expansion and prosperity, then contraction and recession, and then it rises again. Be patient, and be prepared for the downturns so your business can survive!

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they’ve learned with their families.



CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

History/Social Studies

- In this episode, one of the entrepreneurs owns a gold mine. The discovery of gold has often inspired economic booms, but when the gold runs out, these boom towns often bust and become ghost towns. Research gold rushes and ghost towns in your state. What year did the rush start? What year did the bust begin? Have there been multiple rushes and busts in your area? If you were trying to predict the economic cycle, when will the next rush be, and why? When will the next bust be, and why?

Mathematics

- If you purchased one ounce of gold in 1900, for \$18.96, and sold it in 1950, for \$34.72, what is the dollar amount of profit that you made on your original investment? What is the percentage of profit that you made on your original investment? (Hint: Take the amount of profit and divide it by the original investment.)

Economics

- In the early 1970s, the United States changed from a gold standard, where each \$1 bill was equivalent to 1.5 grams of gold, to a system where the dollar could not be exchanged for 1.5 grams of gold from the U.S. government. How has this affected the value of the dollar? How has this affected the price of gold? How has this affected the U.S. economy in the long run? Explain your thinking.

Optional Vocabulary Extensions

Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each Biz Term.

Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each Biz Term in their own words to demonstrate comprehension.



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Bear market
- Bull market
- Buyer's market
- Economic cycles
- Depression
- Downturn
- Inflation
- Recession
- Seller's market
- Surge

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ Episode Review

1. We have an economic _____ when there is negative economic growth for at least six months.
2. The wave of highs and lows in the economy are _____.
3. A _____ is optimistic or growing.
4. A _____ is pessimistic or in decline.
5. When stock prices are high it's a _____.
6. A drop in business or economic activity is a _____.
7. A rise in prosperity and economic expansion is a _____.



Activity #2:

ECONOMIC CYCLES

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 6-10

Learning Objective:

Identify economic cycles and recognize how businesses are affected.

Directions

Economic cycles are the regular ups and downs of business. See how well you understand the following concepts about economic cycles.

1. In the year 2007, house prices were going up, but by the end of 2008, homes were only worth 1/3 of what you might have paid for them in 2007. Was it a buyer's market or a seller's market in 2007, and explain why?

2. If house prices drop sharply, what other businesses besides real estate agents and banks could be affected? How would house prices dropping affect those businesses, would it be a positive or negative impact?

3. In your own words, what is the difference between a recession and a depression?

4. What information do you need in order to figure out if you're in a bull market or a bear market?

Have students discuss these ideas and share their answers with the class.



Activity #3:

OPPORTUNITY KNOCKS

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 6-10

Learning Objective:

Identify economic opportunities.

Directions

One important part of being a successful entrepreneur is to recognize an economic opportunity. See how you do with the following scenarios.

1. You live in a small town that is centered around a college campus. What are some products or services that you might be able to sell to college student, ages 18-22?

2. A friend of yours lives in a suburban neighborhood, with lawns and yards, but no public transportation. What are some products or services you might be able to sell to suburban homeowners or their kids?

3. On summer vacation, you travelled with your family. Think back and recall, what products or services did you really want during your vacation? Could you sell these products or services to others during their summer vacations?

4. You love animals, and volunteer with a pet rescue organization. What are some products or services that new pet owners might need or want?

Have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Bear market:* A time when investment prices fall, usually during an economic recession.
- *Bull market:* A time when investment prices rise, usually during an economic recovery or boom.
- *Buyer's market:* When the economy is down is a good time to buy investments because prices are low, and this is called a buyer's market.
- *Economic cycles:* A sustained economic recession in which a nation's GDP is falling and marked by low production and sales and a high rate of business failures and unemployment.
- *Depression:* A drop in business or economic activity.
- *Downturn:* The periodic highs and lows of the economy.
- *Inflation:* A rise in the cost of goods and services when too much money is in the economy.
- *Recession:* Negative economic growth for at least six months in a row.
- *Seller's market:* When the economy is up is a good time to sell investments because prices are high, and this is called a seller's market.
- *Surge:* Economic expansion and prosperity.



The Value of Money

EPISODE #408

LESSON LEVEL

Grades 6-10

KEY TOPICS

- Value of currencies
- Currency exchange rates
- Entrepreneurship

LEARNING OBJECTIVES

1. Learn the value of money.
2. Understand what exchange rates are.
3. Recognize factors that affect the value of money.
4. Learn financial terms.

EPISODE SYNOPSIS

What determines the value of money? Learn more about currency values and exchange rates when you join the BizKid\$ as they meet entrepreneurs whose businesses are directly affected by changes in the exchange rates of currencies from different countries.

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

Standard 1: Take responsibility for personal financial decisions.

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Planning and Money Management

Standard 1: Develop a plan for spending and saving.

Standard 6: Develop a personal financial plan.

Saving and Investing

Standard 1: Discuss how saving contributes to financial well-being.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education**.

Standard 2: Decision Making

Standard 14: Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

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- Activity Worksheets
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About the Episode

What determines the value of money? Learn more about currency values and exchange rates when you join the BizKid\$ as they meet entrepreneurs whose businesses are directly affected by changes in the exchange rates of currencies from different countries.

Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- What is money?
- What determines the value of money?
- Have you ever visited another country and had to exchange your currency?

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

Now you know what factors raise or lower the value of money. The next time you do business with another country, you can exchange currency with confidence. Welcome to the global marketplace, BizKid!

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

History/Social Studies

- Research the history of the Euro. How long has it been used? Why was it created? Which countries have seen a benefit from moving to the Euro, and what was the benefit they received?

Mathematics

- How much copper is in the United States penny? What happens when the value of that amount of copper in one penny is worth more than \$.01 of United States currency? Has the amount of copper in the penny changed over time? Why or why not?

Economics

- Describe how the U.S. Central Bank is different from the Federal Reserve Bank of New York. What affect does the Federal Reserve Bank have on the economy of the United States?

Optional Vocabulary Extensions

Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each Biz Term.

Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each Biz Term in their own words to demonstrate comprehension.



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Currency
- Digital money
- Economy
- Exchange rate
- Federal Reserve Bank
- Fluctuates
- Gold standard
- Inflation
- Natural resources
- Political structure

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ Episode Review

1. When too much money is in the economy resulting in higher prices, that is called _____.
2. Minerals, water, and land are examples of _____.
3. Something used as a medium of exchange is a _____.
4. The _____ has twelve offices in different states.
5. The ratio for currency conversion is the _____.
6. A form of currency used online is _____.
7. The financial situation of a country or state is called its _____.



Activity #2:

EXCHANGE RATES

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 6-10

Learning Objective:

Understand what exchange rates are.

Directions

One exchange rate is **\$1 USD = 13 MXN**. This means that one dollar of money in the United States is worth 13 pesos of money in Mexico.

1. If **\$1 USD = \$1.09 CAD** (Canadian dollar), which country has a stronger currency today? How do you know that it is stronger? What do we mean when we say that a currency is strong?

2. Tomorrow, if the exchange rate changes to **\$1 USD = \$1.05 CAD**, what does that tell us about buying power and the economy in Canada? Is it getting better or worse since yesterday? Why?

3. You have \$10 today, and **\$1 USD = 10 MXN**. You trade your dollars for pesos. How many pesos do you have? What if the exchange rate changes next week, and **\$1 USD = 9 MXN**. Do you want to keep your pesos, or trade them for dollars? Why?

4. Some people try to make money by watching exchange rates and trying to get the best deal on their trades. What are the risks of trying to do this? What are the rewards if you're successful?

Have students discuss these ideas and share their answers with the class.



Activity #3:

THE VALUE OF MONEY

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 6-10

Learning Objective:

Recognize factors that affect the value of money.

Directions

Explore some of the many factors that affect the value of money, by answering the questions below.

1. This summer has been very hot. In fact, many crops that need water to thrive have been suffering from dry conditions. Does bad weather, which reduces crop production, make the US dollar weaker or stronger?

2. The popularity of the leader of a nation can affect the value of their currency. If the President of the United States has a good popularity rating with the citizens of the United States, does that make the US dollar stronger or weaker? Can you describe why?

3. If the price of one gallon of gasoline goes down from \$4.07 per gallon to \$3.99 per gallon, how will that affect the value of the US dollar? Why does it affect the value of the dollar?

4. The difference between the amount we spend to import products from other countries and the amount we make when we export products to other countries is called the balance of trade. Why would the balance of trade affect the value of the US dollar? Is it better to import more or to export more? Why?

Have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Currency*: Something that is used as a medium of exchange.
- *Digital money*: A form of currency that can be used online.
- *Economy*: The wealth and resources of a country.
- *Exchange rate*: The ratio for currency conversion between the money of two different countries.
- *Federal Reserve Bank*: One of the twelve different regional branches of the Federal Reserve System that were created to avoid establishing one Federal Reserve bank in a single location.
- *Fluctuates*: Something that changes over time.
- *Gold standard*: A monetary system where each paper note is equal to a specific amount of gold that is stored in a bank and that note could be exchanged for its value in actual gold.
- *Inflation*: A rise in the cost of goods and services when too much money is in the economy.
- *Natural resources*: Items that come from the earth, such as rocks and minerals.
- *Political structure*: The way that a government chooses to organize itself.



The Economics of Economics

EPISODE #505

ACTIVITIES & LESSONS

LESSON LEVEL

Grades 6-10

KEY TOPICS

- Economics
- Decision making

LEARNING OBJECTIVES

1. Identify different economic concepts.
2. Become aware of the laws of supply and demand.
3. Take responsibility for personal financial decisions.
4. Learn financial terms.

EPISODE SYNOPSIS

How do economic principles influence your daily life? Learn about everything from macro to micro economics, supply and demand, and other economic indicators. Discover how individuals, business leaders, and even the leaders of countries use economic principles to make decisions. It's all economics!

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

Standard 1: Take responsibility for personal financial decisions.

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education**.

Standard 2: Decision Making

Standard 14: Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

Standard 4: Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

Standard 7: Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

CONTENTS

- National Standards Correlations
- Lesson Prep & Screening
- Family Activity Sheet
- Biz Term\$ Worksheet
- Curriculum Connections
- Activity Worksheets
- Biz Term\$ Definitions
- Acknowledgements



LESSON PREP & SCREENING

Getting Started

Familiarize yourself with the episode ahead of time. It will serve as a springboard for student learning, discussions, vocabulary exploration, and hands-on activities. Determine what equipment is required to show the episode in your classroom and request it if needed. Choose an activity (each one takes between 45-60 minutes), and gather supplies. Students will need a pen or pencil and copies of the activity worksheets. Have fun!

Screening

Introduce the series and the episode. Explain that Biz Kid\$ is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money. Prior to playing the episode, lead your students in a discussion with the preview questions on this page.

About the Episode

How do economic principles influence your daily life? Learn about everything from macro to micro economics, supply and demand, and other economic indicators. Discover how individuals, business leaders, and even the leaders of countries use economic principles to make decisions. It's all economics!

Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- Think of a product that your family uses. Can you list all of the businesses that contributed to making that final product available to you? (grow or manufacture, transport, package, etc.)
- How does peer pressure affect your financial decisions?
- What happens to the price of an item if the supply is limited and demand is high?

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

Economics is not just money. It is about businesses and how they work. It's about making choices, sometimes very difficult ones. Supply and demand is a powerful thing; it can force you to go without, pay more than you want to, or force you to look elsewhere for the things you want. If something isn't available that you want, remember the economic forces of supply and demand, as well as the other forces, and the consequences of your decision making. Financial choices that people make have benefits, costs, and future consequences. What choices will you make?

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

History/Social Studies

- Research changes in the Gross Domestic Product (GDP) during The ‘Great Depression’ in the United States. How do those changes compare to GDP fluctuations from 2003 to 2013?

Mathematics

- Have students graph the price of a gallon of milk from the years 1950, 1960, 1970, up to the present decade. Ask students to determine whether the price changes over time were due to supply and demand alone, or if other factors such as inflation and interest rates are also involved.

Economics

- The Consumer Price Index tracks the price of specific basic household items over time. If students were going to create their own index, the Student Price Index, what products would be listed for that index and why? Have the class track their own Student Price Index for the month. Discuss changes in their index and whether or not those changes were the result of supply and demand alone, or if inflation and interest rates were also involved.

Optional Vocabulary Extensions

Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each Biz Term.

Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each Biz Term in their own words to demonstrate comprehension.



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Consumer Price Index
- Cost/benefit analysis
- Depression
- Economics
- Economic indicator
- Incentive
- Inflation
- Laws of Supply and Demand
- Recession
- Scarcity

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ Episode Review

1. The lack of a product or service that is in demand is called a _____.
2. The “Big Mac Index” is one example of an _____.
3. The relationship between consumers and producers, tracked by the price of goods, is termed the _____.
4. A reward or benefit that motivates people to do something, whether positive or negative, is an _____.
5. The branch of social science that deals with the production, distribution, and consumption of goods and services is called _____.
6. _____ occurs when there is an increase in the price of goods and services over time.
7. A _____ happens when the real Gross Domestic Product (GDP) declines by more than 10 percent, while a _____ is less severe.



Activity #2:

SUPPLY AND DEMAND

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 6-10

Learning Objective:

Become aware of the laws of supply and demand.

Directions

There are four basic laws of supply and demand:

1. If demand increases and supply remains unchanged, a shortage occurs, leading to a higher price.
2. If demand decreases and supply remains unchanged, a surplus occurs, leading to a lower price.
3. If demand remains unchanged and supply increases, a surplus occurs, leading to a lower price.
4. If demand remains unchanged and supply decreases, a shortage occurs, leading to a higher price.

Based upon these laws of supply and demand, what should happen in each of the following scenarios?

1. The car that you want to buy has a ‘manager’s special price’ this weekend, but there is only one vehicle available at this price. Which law applies here? Why?

2. A popular new boutique clothing company gets a contract to sell their product in a big box retail store. Which law applies here? Why?

3. Last year, Smartphone4 was the popular holiday gift. This year, there is a new competitor. Which law applies here? Why?

4. A bad winter has damaged crops of oranges. Orange juice companies have been affected. Which law applies here? Why?

Have students discuss these ideas and share their answers with the class.



Activity #3:

MICRO VS. MACRO

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 6-10

Learning Objective:

Identify different economic concepts.

Directions

The study of economics can be divided into two major categories.

1. Microeconomics: The economic behavior of individuals, firms, and markets.
2. Macroeconomics: The economics of a single country, or even the world, in terms of the total amount of goods and services produced, total income earned, and the level of employment.

Based upon these definitions of micro and macro economics, which category is the better choice for each of the following, and why?

1. National economic policy fits best in which category, and why?

2. The laws of supply and demand fit best in which category, and why?

3. Concerns about the global marketplace fit best in which category, and why?

4. Changes in the price of one ounce of gold fit best in which category, and why?

5. The concept of financial incentives fits best in which category, and why?

Have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Consumer Price Index:* A government-issued inflationary indicator that measures change in the cost of basic consumer goods and services.
- *Cost/benefit analysis:* A technique used to determine whether the cost of a decision will be worth the benefit that it gives you.
- *Depression:* A severe, sustained, downturn in economic activity that lasts for several years when the real Gross Domestic Product (GDP) declines by more than 10 percent.
- *Economics:* The branch of social science that deals with the production, distribution, and consumption of goods and services, and their management.
- *Economic indicator:* A measure of the economy for the purpose of showing whether or not the economy is growing.
- *Incentive:* A reward or benefit that motivates people to do something.
- *Inflation:* An increase in the overall price level for consumer goods and services that reduces the value of money.
- *Laws of Supply and Demand:* Rules that describe how changes in supply or demand affect the price of goods and services. For example, when supply goes up price goes down.
- *Recession:* An economic cycle slow-down in activity for two consecutive quarters (six months) that is not as severe as a depression.
- *Scarcity:* A lack of goods or services that people demand or want because human wants exceed the capacity of available resources.



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