



The Value of Money

EPISODE #408

LESSON LEVEL

Grades 9-12

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.

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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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

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.



FAMILY ACTIVITY SHEET

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.

Activity Suggestions

Does your family travel, or do business with other countries? Your student has learned about the factors that influence the value of money, as well as those factors that affect the exchange rate of different currencies.

Together as a family, select a currency from another country and find the exchange rate between your own money and the foreign currency. Have your student describe what factors may influence the value of that currency. Follow the exchange rate for a few days and make a chart that shows how the value changes over time. Is the currency that you selected very stable, or does its value change a lot from day to day?

Using the internet or a library, find out more about the country that you selected. What are their specific factors that influence the value of their currency? Has their currency been in use for a long time, or have they changed currency recently (for example, in France the Euro is modern, and the Franc is traditional)? After doing this research on your chosen country, try to predict whether the value of this currency will go down or will go up within the coming year. Then, as a family, watch the progress of the currency and see how well you did with your prediction.



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 _____.



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 #2:

EXCHANGE RATES

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 9-12

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 9-12

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.



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