Trading up,  
Levels 5 and 6

Economics and Business

Sample activities

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**Note:** Please see the accompanying Trading up resource document for supporting resources that can be printed and distributed to students.

Introduction to the sample activities

These sample activities address the Economics and Business curriculum area of the Victorian Curriculum F–10 at Levels 5 and 6. Teachers may choose to either cover all sessions sequentially as a unit of work or select and implement sessions or activities of their choosing.

Students are introduced to a range of key knowledge and key skills relevant to economics, business and financial literacy. They are introduced to basic economic theory during Session 1 with an emphasis on the economic circular flow and basic terminology. Session 2 looks at economic needs and wants, as well as how these may differ both between people and for an individual who experiences a change in circumstances. Economic decision making, and its potential for multifaceted consequences, is examined in Session 3, during which the principle of opportunity cost and key factors inherent to making wise purchasing choices are considered. Trading is covered during Session 4, involving a simulation of the operation of the barter system of trade. Students are then invited to consider and evaluate the strengths and weaknesses of the barter system during Session 5. They are also introduced to the notion of a currency as a solution to the difficulties of trading within a barter system at this stage. Finally, during Session 6 students look in greater depth into the reasons for the development and use of currency. They also consider the features of a useful currency and evaluate different potential currencies considering the developed criteria.

These sample activities can be delivered in six sessions:

* Session [1 –](https://deecddigipubs2014.worldsecuresystems.com/vcaa/vcaa-economics-business-5-8/vcaa-economics-business-8-section-1) Goods and services
* Session [2 –](https://deecddigipubs2014.worldsecuresystems.com/vcaa/vcaa-economics-business-5-8/vcaa-economics-business-8-section-2) Needs and wants
* Session 3 – Economic decision making
* Session 4 – Types of trading
* Session 5 – Drawbacks of the barter system and currency as a solution
* Session 6 – Creating a class currency

Links to the Victorian Curriculum F–10

Elements of the achievement standards addressed during each of the six sessions are noted at the beginning of the session in the ‘Overview’ section. The strands and content descriptions addressed in each session are shown below.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Curriculum area:** Economics and Business | | **Curriculum levels:** Levels 5 and 6 | | | | | |
| **Strand** | **Content description** | **Session 1** | **Session 2** | **Session 3** | **Session 4** | **Session 5** | **Session 6** |
| Resource Allocation and Making Choices | Describe the difference between needs and wants and explain why choices need to be made ([VCEBR001](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBR001)) | **✓** | **✓** |  | **✓** |  |  |
| Explore the concept of opportunity cost and explain how it involves choices about the alternative use of limited resources and the need to consider trade-offs ([VCEBR002](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBR002)) |  |  | **✓** | **✓** |  |  |
| Consumer and Financial Literacy | Identify influences on consumer choices and explore strategies that can be used to help make informed personal consumer and financial choices ([VCEBC004](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBC004)) |  |  | **✓** |  | **✓** |  |
| Consider the effect that the consumer and financial decisions of individuals may have on themselves, their family, the broader community and the natural, economic and business environment ([VCEBC005](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBC005)) |  |  | **✓** |  |  |  |
| The Business Environment | Identify the reasons businesses exist and investigate the different ways they produce and distribute goods and services ([VCEBB006](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBB006)) |  |  |  | **✓** |  |  |
| Enterprising Behaviours and Capabilities | Investigate the nature and explain the importance of enterprising behaviours and capabilities ([VCEBN009](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBN009)) |  |  |  | **✓** |  |  |
| Economic and Business Reasoning and Interpretation | Make decisions, identify appropriate actions by considering the advantages and disadvantages, and form conclusions concerning an economics or business issue or event ([VCEBE010](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBE010)) |  |  |  |  |  | **✓** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Other curriculum areas:** Mathematics and English | | **Curriculum levels:** Levels 4–6 | | | | | |
| **Curriculum area, mode and/or strand** | **Content description** | **Session 1** | **Session 2** | **Session 3** | **Session 4** | **Session 5** | **Session 6** |
| Mathematics, Number and Algebra  (Level 4) | Solve problems involving purchases and the calculation of change to the nearest five cents with and without digital technologies ([VCMNA160](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA160)) |  |  |  |  | **✓** |  |
| Mathematics, Number and Algebra  (Level 5) | Use efficient mental and written strategies and apply appropriate digital technologies to solve problems ([VCMNA185](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA185)) |  |  |  |  |  | **✓** |
| English, Reading and Viewing, Literacy  (Level 5) | Use comprehension strategies to analyse information, integrating and linking ideas from a variety of print and digital sources ([VCELY319](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCELY319)) |  |  |  |  |  | **✓** |

The activities in Sessions 1–6 allow for differentiation of student learning. Students are generally able to work at their own level and progress accordingly.

Teacher resources

The following resources have been provided in the accompanying Trading up resource document.

Session 1

* Worksheet A: Goods and services
* Economic flow chart

Session 2

* Worksheet B: My changing needs and wants
* Needs and wants tokens
* Character scenarios

Session 3

* Worksheet C: Smart spending
* Worksheet D: Is this a wise economic decision?

Session 4

* Barter game character scenarios
* Barter game instructions

Session 5

* Razoo currency (1, 5, 10, 20 and 50)
* Razoo exchange rates
* Barter game character scenarios
* Barter game instructions

Session 6

* Worksheet E: Converting into class currency

Session 1 – Goods and services

Overview

Duration

45–60 minutes

Curriculum links

Relevant Levels 5 and 6 achievement standard extract

By the end of Level 6, students distinguish between needs and wants and recognise that choices need to be made when allocating resources.

Link to content description

* Describe the difference between needs and wants and explain why choices need to be made ([VCEBR001](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBR001))

Learning intentions

Students recognise the difference between both goods and services, and economic needs and wants.

Key terms

* **Barter:** to trade goods and/or services directly with other people. Trade involves a direct swap of products. No money is exchanged.
* **Economy:** all activities undertaken for the purpose of the production, distribution and consumption of goods and services in a region or country
* **Goods:** tangible (physical) items that can be seen and touched, and which satisfy individual and societal needs and wants
* **Product:** a good or service usually traded
* **Services:** intangible products, such as jobs or tasks, that are usually performed in exchange for money

Teacher resources

The following resources have been provided in the accompanying Trading up resource document:

* Worksheet A: Goods and services (prepare a copy for each student)
* Economic flow chart (prepare a copy for each student or for general display, or both)

Students will also need sticky notes and chart paper. Elements of this activity also require internet connection and access to laptops or iPads.

Teacher notes

This activity requires that students independently access and use digital technologies.

Introduction to Session 1

When people live together in groups an economy develops. This means that people cooperate to produce and exchange or sell economic products that satisfy their needs and wants. Economic products can be categorised into two basic types – goods and services. Everything we buy is either a good or a service. Goods are tangible items that we can see and touch, for example a cup of coffee or a laptop. Services are jobs or tasks that are performed for someone else, for example caring for a child or a hairdresser giving you a haircut.

Activity

Introduce and explain to students that all of the products that we buy and sell can be classified into one of two types and that when people live together in groups an economy develops – this means that people cooperate to produce and exchange or sell economic products that satisfy our needs and wants.

The two types of products are goods and services:

* **Goods** are items, things or objects that can be seen and touched, such as food.
* **Services** are when someone performs a job or task for someone else, such as when a mechanic fixes a car.

Present the Economic flow chart to students and discuss (see the accompanying Trading up resource document). We all need to buy things. We need to buy food to eat, or we may need or want clothing for an important event.

Every time we buy a good or service we are contributing to the economy. These purchases are just part of a bigger piece of the economic puzzle. The economy works in a circular motion, referred to in economics as the circular flow diagram. This Economic flow chart looks at the way money, goods and services move throughout the economy. In the diagram, there are two main characters, businesses and households: households are consumers and businesses are the producers of the goods and services that consumers buy.

Class task 1

* Leaving the definitions of goods and services on display for students, have students spend 10 minutes writing down all the types of goods and services they have consumed in the last week. Students can work in pairs for support.
* Display the words ‘Goods’ and ‘Services’ on opposite sides of the classroom. Using the students’ own work, read out items from their lists, having students move to the side of the room that fits the response. Allow students time to discuss their reasoning.
* **Note:** Encourage discussion around what can be both a good and a service, for example, a visit to a hairdresser is a service but you may also use or purchase goods while there.

Class task 2

* Hand out Worksheet A: Goods and services (see the accompanying Trading up resource document).
* Review the definitions of goods and services briefly, and that these can be bartered or traded for money.
* Students fill in Worksheet A: Goods and services with their previous responses, discussing these in pairs again if needed.

**Class task 3**

Interactive online activity: Goods and services (MoneySmart website)

Students could access the online interactive activity ‘Goods and services’ on the MoneySmart website: [Goods and services](https://static.moneysmart.gov.au/teaching/resources/goods-and-services/index.html).

In this activity students will be engaged in sorting goods and services, identifying services and calculating earnings based on the sale of services. While this activity states a curriculum focus of Foundation to Level 2, it is also suitable for older students.

Review and reflect

* Classification activity: Using sticky notes, have students write 5 or 6 items from their Worksheet A: Goods and services on sticky notes.
* As a class, classify the items on a large anchor chart and leave around the room as a display.

Session 2 – Needs and wants

Overview

Duration

45–60 minutes

Curriculum links

Relevant Levels 5 and 6 achievement standard extract

By the end of Level 6, students distinguish between needs and wants and recognise that choices need to be made …

Link to content description

* Describe the difference between needs and wants and explain why choices need to be made ([VCEBR001](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBR001))

Learning intentions

Students identify the difference between needs and wants.

Key terms

* **Barter:** to trade goods and/or services directly with other people. Trade involves a direct swap of products. No money is exchanged.
* **Consumer:** a person or a group that is the final user of goods and services produced within an economy
* **Needs:** goods and services that consumers need to survive. These include fresh water, clothing and food.
* **Opportunity cost:** this term describes what happens when consumers have limited money but unlimited choice. When you make a choice you give up an opportunity to buy something else with that money.
* **Subsistence economy:** economic model where each person is responsible for producing goods and services to satisfy their own personal economic needs
* **Wants:** goods or services that are desired in order to provide satisfaction to the user, but which are not necessary for survival or to meet the basic standard of living in a community

Teacher resources

The following resources have been provided in the accompanying Trading up resource document:

* Worksheet B: My changing needs and wants (one per student)
* Needs and wants tokens (cut out and place in a container)
* Character scenarios

Students will also need chart paper or an IWB.

Teacher notes

This activity requires that students:

* have completed Session 1
* have an understanding of what a consumer is
* understand the difference between needs and wants.

Introduction to Session 2

We are all consumers. That means we purchase and use products in order to satisfy our needs and wants. The types of products we purchase and consume depend on our individual and specific needs and wants. We all have different needs and wants according to factors that include our age, health, occupation, environment, location, culture and beliefs. Our needs and wants can change. They are also influenced by the amount of money we have available to spend.

Activity

Introduce to students the concept that we are all consumers, which means we purchase and use products in order to satisfy our needs and wants. Needs and wants are defined in the following way:

* **Needs** are things we require in order to survive, such as shelter, basic food, clean water, basic clothing and warmth, and transport.
* **Wants** are goods or services that we can live without but would like to have, for example entertainment, fashionable clothing, restaurant meals or toys.

Discuss how what is defined as a need and a want often differs between people. Pose the question to students: ‘What might affect a consumer’s needs and wants at any given time in their life?’

Ask students to turn to a neighbour and discuss the question. Students could come up to the board and add ideas to a class brainstorm.

Using student responses, classify student ideas into the general areas:

* age
* family and friends
* occupation
* state of health
* location
* wealth

Optional: Watch the YouTube clip [Wants and needs](https://www.youtube.com/watch?v=3UGqvBc3-xc)

Class task 1

* Using the Needs and wants tokens (see the accompanying Trading up resource document):
* cut out tokens and place into a container
* display a chart or table where students can see, as below.

|  |  |
| --- | --- |
| **Needs** | **Wants** |
|  |  |

* Have students sit in table groups. Share out the tokens between each table. Allow students to discuss the tokens before asking each student to come up and place a token in the correct column.
* Ask students to use Worksheet B: My changing needs and wants (see the accompanying Trading up resource document) to list five needs they have right now. Ask students to consider how this list of needs may change as their lives change, for example, what if they move to another country?
* Have students stand with a partner with Worksheet B: My changing needs and wants and pose the scenarios below. Have students spend three minutes discussing how their needs would change. After three minutes, ask students to move on to a new partner and then pose the next scenario. Swap every three minutes until all scenarios are completed.

Scenarios:

1. You move to a location with a very cold climate
2. You move to a location with a very warm climate
3. You are 15 years older than you are currently
4. You become a parent
5. You move to a country where most people do not speak English
6. You become a movie star
7. You develop a serious illness

Review and reflect

* Allocate three students a ‘character’ from the Character scenarios resource (see the accompanying Trading up resource document). Have these students sit in front of the class and introduce themselves in character. Ask them about their needs and wants. Encourage students to question their needs and wants and pose changes to their scenarios where the characters may need to rethink their ideas.

Session 3 – Economic decision making

Overview

Duration

45–60 minutes

Curriculum links

Relevant Levels 5 and 6 achievement standard extract

By the end of Level 6, students … recognise that choices need to be made when allocating resources. They recognise that consumer choices and financial decisions are influenced by a rage of factors … Students identify strategies that will assist in making informed consumer and financial decisions.

Links to content descriptions

* Explore the concept of opportunity cost and explain how it involves choices about the alternative use of limited resources and the need to consider trade-offs ([VCEBR002](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBR002))
* Identify influences on consumer choices and explore strategies that can be used to help make informed personal consumer and financial choices ([VCEBC004](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBC004))
* Consider the effect that the consumer and financial decisions of individuals may have on themselves, their family, the broader community and the natural, economic and business environment ([VCEBC005](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBC005))

Learning intentions

Students understand that buying goods and services involves making a decision that requires them to give up the opportunity to purchase something else.

Key terms

* **Budget:** a plan for saving, spending and managing money. It has two parts: income and expenditure.
* **Consumer:** a person or a group that is the final user of goods and services produced within an economy
* **Opportunity cost:** this term describes what happens when consumers have limited money but unlimited choice. When you make a choice you give up an opportunity to buy something else with that money.
* **Resources:** the ‘ingredients’ that go into creating a product. These can be labour, materials and capital.

Teacher resources

The following resources have been provided in the accompanying Trading up resource document:

* Worksheet C: Smart spending (can be photocopied individually for each student or used as a display)
* Worksheet D: Is this a wise economic decision?

Elements of this activity also require internet connection and access to laptops or iPads.

Teacher notes

This activity requires that students:

* have completed previous activities
* have a basic understanding of a budget.

Introduction to Session 3

When we study economics, we look at and consider how the available economic resources (also known as ‘factors of production’) are used and distributed in society. Think of economic resources as being the ‘ingredients’ that go into creating a product, such as the workers (labour), raw materials, machinery and equipment (capital).

We all have needs and wants and aim to improve our lives through having these satisfied by buying and receiving goods and services. For example, if we are living in a cold climate in winter, we look to buy warm clothing, or if we are hungry, we need to obtain food in order to satisfy our hunger.

However, our needs and wants are unlimited, meaning they are endless. The economic resources (land, labour and capital) used to produce goods and services are limited. There is only a certain amount of these. This means we cannot all have every need and want satisfied. Decisions must be made about how scarce resources will be used. It must be decided:

* what will be produced using available economic resources
* how things will be produced
* who will receive the finished products.

These are all key economic decisions.

Individuals, groups of people, businesses and governments all make economic decisions.

You will make economic decisions many times every day. For example: ‘How do I spend my money?’ or ‘Do I take public transport, do I walk, or do I drive somewhere?’

Activity

Introduce and explain to students that we are all consumers in the Australian economy.

This means that we have a limited amount of resources or money to spend on goods and services. Often, we earn our money by exchanging our work or labour for it or by selling products to other consumers. All people make economic decisions about how we spend our money based on our needs and wants.

* Pose the scenario to students that you want to purchase a new car (you could show images of different cars). Discuss that you need to think carefully before you spend your money as once it is spent, you won’t have any left.
* Introduce and explain the idea of:
* **Opportunity cost:** If we purchase something, we then give up the opportunity to purchase something else we may need or want with the money spent. For example, if you purchase a drink and sandwich for $10, you then lose the opportunity to purchase any other products, such as a train ticket home perhaps, with that money.
* Ask students: What should I be thinking about or considering before I make the decision to purchase a car? Allow students time to discuss this in table groups and have them record their thoughts on the board.
* Stress to students that thinking through purchases carefully is important because while our needs and wants are infinite, or limitless, our money is finite or limited.
* An economic decision about how to spend money should always be carefully thought through. The goal should be to satisfy as many needs and wants as possible at the lowest cost to us.
* Whenever we spend money, we give up being able to use that money to buy something else. This is known as the principle of opportunity cost.
* Good economic decision making is the basis for developing an effective budget.

Class task 1

Show students Worksheet C: Smart spending (see the accompanying Trading up resource document).

Before spending money, we should consider the following:

1. **Budget:** What can I afford? How much can I spend?

2. **Choices:** What are the different ways I could spend this money and meet my needs or wants?

3. **Importance:** Do I need each choice? Or do I just want it?

4. **Think:** Would each choice:

a. give value for money?

b. meet my needs and wants?

c. have a good or bad effect on others (for example, on the environment or my family)?

5. **Decide:** Make your decision about what to buy.

6. **Do:** Make your purchase.

7. **Evaluate:** Did I make the right choice?

Class task 2

Birthday scenario

Introduce the scenario: You have been given $100 as birthday present. Using the model in the table, show how you would decide to spend this money. Use Worksheet D: Is this a wise economic decision? (see the accompanying Trading up resource document) to record and analyse responses.

Class task 3

Interactive online activity: Our big weekend adventure (MoneySmart website)

Students access the online interactive activity ‘Our big weekend adventure’ on the MoneySmart website: [Our Big Weekend Adventure](https://static.moneysmart.gov.au/teaching/resources/our-big-weekend-adventure/index.html#start).

Ask students to consider the opportunity cost of each decision and which decision offers the best value for money. Students should also consider the effects on others of each decision taken.

Review and reflect

In small groups, ask students to:

* share their budgets
* ask each other questions about the budgets being discussed
* explain which items they purchased and why. What did they decide not to purchase?

Teacher: Observe the considerations made by the students when selecting their preferred items and how they justify their decision.

Session 4 – Types of trading

Overview

Duration

45–60 minutes

Curriculum links

Relevant Levels 5 and 6 achievement standard extract

By the end of Level 6, students distinguish between needs and wants and recognise that choices need to be made when allocating resources. They recognise that consumer choices and financial decisions are influenced by a range of factors … They explain the purpose of business …

Links to content descriptions

* Describe the difference between needs and wants and explain why choices need to be made ([VCEBR001](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBR001))
* Explore the concept of opportunity cost and explain how it involves choices about the alternative use of limited resources and the need to consider trade-offs ([VCEBR002](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBR002))
* Identify the reasons businesses exist and investigate the different ways they produce and distribute goods and services ([VCEBB006](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBB006))
* Investigate the nature and explain the importance of enterprising behaviours and capabilities ([VCEBN009](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBN009))

Learning intentions

Students recognise bartering as a way to meet an individual’s needs and wants through the trading of goods and services.

Key terms

* **Barter:** to trade goods and/or services directly with other people. Trade involves a direct swap of products. No money is exchanged.
* **Goods:** tangible (physical) items that can be seen and touched, and which satisfy individual and societal needs and wants
* **Product:** a good or service usually traded
* **Services:** intangible products, such as jobs or tasks, that are usually performed in exchange for money
* **Subsistence:** the minimal resources that are necessary for survival. If you live a subsistence lifestyle everything you make or grow or sell is for your own use.

Teacher resources

The following resources have been provided in the accompanying Trading up resource document:

* Barter game character scenarios
* Barter game instructions

Students will also need an image of an object that the student may like to own (for example, a PlayStation), butcher’s paper and access to a TV or an IWB and internet.

Teacher notes

This activity requires that students:

* have completed previous activities
* understand what an economy is.

Introduction to Session 4

A long time ago there was no such thing as money. People lived subsistence lifestyles. This means that people lived in small groups that hunted, farmed, gathered and created food, clothing, shelter and other things they needed to survive, for themselves.

Sometimes people found that they made more than what they needed or wanted of some things and had not enough of other things. They would then swap these extra things with others, for example, a family with extra wheat might swap it for eggs or milk from another family that had a surplus of eggs or milk. This type of trading is known as bartering.

When people trade by bartering there is no money exchanged. Products are directly swapped.

Activity

* View the ‘[Paperclip to a House](https://www.youtube.com/watch?v=F1_OoICS2b8)’ YouTube video that tells the story of how a man swapped a paperclip for a house through a series of trades that grew increasingly higher in value.
* Discuss the background of bartering (refer to information above).
* Show students an object (or an image of one) they would all like to own, for example a toy, book or electronic device.
* Ask each student to name what they believe they could exchange for that item, for example: ‘I have an old mobile phone that I could offer for that item’.
* Remind students that there are two types of items that can be traded:
* **Goods** are tangible items that we can see and touch.
* **Services** are a job or task being performed for someone else, for example a babysitter caring for a child or a hairdresser giving you a haircut.
* Record student responses under the headings ‘Goods’ or ‘Services’ displayed around the room or written on the board.
* Give students time to read the responses. Ask students to talk to their table group about what they observed or noted.
* Discuss with students how different people can value the same item in different ways.

Class task 1

**Barter game:** The following instructions can also be found in the accompanying Trading up resources document.

1. Divide students into small groups of up to seven students each.

**OR**

Divide class up into seven teams.

1. Using the Barter game character scenarios (see the accompanying Trading up resource document), allocate each student in a group or each team in the class one of the seven characters. Provide each student or team with the relevant resource sheet for their assigned character, showing what they have to barter and what needs and wants they will be trying to fulfil. (The teams will try to work together to obtain as many items on the needs and wants list as possible.)
2. Explain to students that they are a small community without money. They will operate under a barter economy. The aim is to obtain as many of their character’s needs and wants as possible by bartering and swapping with others.
3. Remind students that they don’t always have to get exactly what they are seeking the first time. They can trade something twice as they try to satisfy their list of needs and wants.
4. Ask students to cut out the tokens designating what each character has to barter with.
5. Give students 10–15 minutes of trading time to barter and attempt to obtain as many of the items on their needs and wants list as possible.
6. Outline the rules below as non-negotiables:

* No stealing
* No bullying
* No lying

**Note:** It is permissible for students or groups to outbid others as they attempt to persuade the owner of an item to trade it to them and not someone else.

1. After the 10–15 minutes of trading, tally how many needs and wants were met by each character. The student or team who has satisfied the most of their needs and wants is declared the winner.

Review and reflect

* Did every student or team manage to satisfy all their needs and wants? Have students stand up if they managed to obtain everything they wanted. Was this many or few members of the class?
* Provide table groups or pairs with butcher’s paper and have students discuss and list the reasons they believe they were able or unable to satisfy their needs and wants and feed this back to the class.
* Discussion: What are the problems identified with the barter system of trade?

Session 5 – Drawbacks of the barter system and currency as a solution

Overview

Duration

45–60 minutes

Curriculum links

Links to content descriptions

* Solve problems involving purchases and the calculation of change to the nearest five cents with and without digital technologies ([VCMNA160](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA160)) (Mathematics, Level 4)
* Identify influences on consumer choices and explore strategies that can be used to help make informed personal consumer and financial choices ([VCEBC004](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBC004))

Learning intentions

Students analyse the strengths and weaknesses of the barter system of trade.

Key terms

* **Barter:** to trade goods and/or services directly with other people. Trade involves a direct swap of products. No money is exchanged.
* **Currency:** paper and coin money that a country uses to conduct business

Teacher resources

The following resources have been provided in the accompanying Trading up resource document:

* Razoo currency (these will need to be printed and cut out)
* Razoo exchange rates
* Barter game character scenarios (from previous activity, Session 4)
* Barter game instructions

Students will also need their reflections from the previous activity (Session 4) and A3 paper.

Teacher notes

This activity requires that students:

* have completed the previous activity in the sequence (Session 4)
* have an idea of what the barter system of trade is and how it operates in a simple agrarian (agricultural) economy
* understand the concept of currency.

Introduction to Session 5

There were several problems with the barter system that became apparent, one of which was that it did not work all of the time. For example, imagine if you were a farmer with several bags of wheat to trade, and you wanted to buy a new pair of shoes. Friend A is a shoemaker with several pairs she is willing to exchange but she really wants to purchase a loaf of bread. Friend B is a baker with loaves of bread available for exchange who needs to purchase bags of wheat, but who has no need of a new pair of shoes. All three traders have items that are wanted by another person. A direct swap or exchange would be difficult to negotiate.

The introduction of currency (money) as a medium of exchange came about in order to attempt to solve the problems that became apparent with the barter system.

Activity

* Remind students of the paperclip to house clip watched in the previous activity (Session 4).
* People barter all the time. A successful barter can be a way of getting what you want without money. It does, however, have its drawbacks.
* Give students 10 minutes to look back at their reflections from the previous activity. What do they believe the possible drawbacks of the barter system could be?
* Bring students’ attention to the following problems with the barter system. Did students address them all?
* It is often difficult to find someone with exactly what you want or need to trade with.
* People often disagree about the value of the items they have. This makes it difficult to come to an agreement about what is being traded for what.
* It can take a long time to make a trade that everyone agrees on.
* Often a direct swap is not possible. Several trades may be needed before you get exactly what you need or want.

Class task 1

* Tell the class that you have decided to introduce currency (money) to their economy (the Razoo).
* Each of their items from the barter game from the previous session will be given a monetary value. Refer to Razoo exchange rates (see the accompanying Trading up resource document) and display for students.
* As the owner of the currency, you will go around the room and exchange tokens for Razoo currency (see the accompanying Trading up resource document) at the beginning of the game.
* Ask students to add up the worth of their character’s possessions from the previous activity using Razoos.

Class task 2

* Are students happy with the rates of exchange provided by the new currency?
* Give students 10 minutes to work out their own exchange rates. Record these on A3 paper. Students need to justify their reasons for the modified rate of exchange.

Review and reflect

* Mini debates: Organise students into groups of four. Each group must prepare a 3-minute presentation on the topic: ‘Trading is better than currency’.
* Include all the arguments the group can come up with both for and against this viewpoint and evidence to support these views.

Session 6 – Creating a class currency

Overview

Duration

45–60 minutes

Curriculum links

Relevant Levels 5 and 6 achievement standard extracts

Students outline the advantages and disadvantages of proposed actions in response to an economics and/or business issue or event …

[Students] analyse information, integrating and linking ideas from a variety of print and digital sources.

Links to content descriptions

* Make decisions, identify appropriate actions by considering the advantages and disadvantages, and form conclusions concerning an economics or business issue or event ([VCEBE010](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCEBE010))
* Use efficient mental and written strategies and apply appropriate digital technologies to solve problems ([VCMNA185](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA185)) (Mathematics, Level 5)
* Use comprehension strategies to analyse information, integrating and linking ideas from a variety of print and digital sources ([VCELY319](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCELY319)) (English, Level 5)

Learning intentions

Students form conclusions concerning an economics or business issue or event.

Key terms

* **Barter:** to trade goods and/or services directly with other people. Trade involves a direct swap of products. No money is exchanged.
* **Conversion rate:** the ratio between two currencies, most commonly used in foreign exchange markets, which designates how much of one currency is needed to exchange for the equivalent value of another currency
* **Currency:** paper and coin money that a country uses to conduct business
* **Forgery:** the action of creating a copy or imitation of a document, signature, banknote or work of art
* **Perishable:** likely to decay or go bad quickly
* **Portable:** able to be easily carried or moved
* **Value:** the worth or usefulness of something

Teacher resources

The following resources have been provided in the accompanying Trading up resource document:

* Optional extension: Worksheet E: Converting into class currency (one copy for each group)

Students will also need an image of the Katanga Cross or ‘Handa’, which can be sourced [online](https://currencies.fandom.com/wiki/Katanga_cross).

Teacher notes

This activity requires that students:

* have completed previous activities
* have an understanding of currency and its uses.

Introduction to Session 6

One thing that distinguishes one country from any other is its currency. The currency of a country has usually evolved and developed over a period. For more information about the development of the Australian currency, visit the website of the [Royal Australian Mint](https://www.ramint.gov.au/bite-sized/Australian-coin-history).

Activity

* Discuss with students that throughout history various cultures have used currencies that we may consider highly unusual, such as pigs, shells, cattle, rice, kola nuts, salt, rice or grain, beads, teeth, eggs, feathers, coconuts, beans, camels, furs, blankets, snails and drums.
* Show students an online image of the Katanga Cross, or ‘[Handa](http://www.smithsonianeducation.org/educators/lesson_plans/currency/handa.html)’, a solid copper currency that was used in the Democratic Republic of the Congo in Africa. The Handa is approximately 22 cm by 15 cm. Discuss the advantages and disadvantages of using the Handa as currency in today's world.

Class task 1

Requirements of a good currency

* Create a class list of advantages and disadvantages of the Handa as a currency.
* Looking at the class analysis of the Handa, refer to the Smithsonian website resource [Requirements of a Good Currency.](http://www.smithsonianeducation.org/educators/lesson_plans/currency/worksheet.html) The list might include some of these features:
* portable – this means that it can be easily carried about. Usually also means it can fit into a handbag or pocket.
* not too heavy
* will not rot or perish and can be kept for a long period of time
* durable – won't crush, rip, crack, break off, be ruined when it gets wet or bend out of shape
* can be standardised. This means that lots of identical copies can be made.
* can be marked or made in different sizes to show different values (such as $1, $5, and $10 notes and 5c, 10c, 20c, 50c, $1 and $2 coins)
* can be easily stored
* cannot be forged or copied
* cannot be easily stolen
* there is sufficient supply
* there is not so much of it that it is too easy to obtain
* everyone agrees on its value and will trade with it.

Discuss with class the requirements of a good currency that are evident in current Australian currency.

Discuss with the class whether or not, using the above criteria, each of the following would be suitable for use as a currency:

* gold
* sand
* lollies
* loaves of bread
* wheat
* diamonds.

Class task 2

A class currency

* Divide the class into groups of 3 or 4. Their goal is to design a non-traditional classroom currency.
* Ask students to make a list of items they find in the classroom or around school that might be used as a currency. Consider items such as paper clips, rubber bands, erasers, books, chalk, bottle caps, leaves or stones.
* Students use list of requirements for a good currency (above) and the [worksheet](http://www.smithsonianeducation.org/educators/lesson_plans/currency/worksheet.html) from the Smithsonian website to compare the advantages and disadvantages of seven of the items on their list.
* Ask students to design an appropriate currency for the class. This could be done working either in small groups, pairs or individually. (This could be done using digital technologies or manually on paper.)
* Students could then vote on which design should become their class currency.
* Students then decide on the name (e.g. Razoos) and the values of the classroom currency selected. (All designs could be displayed within the classroom.)
* After reproducing multiple copies of the new class currency, issue a certain amount and put it into a container. Decide how to protect it so that it is not tampered with, replicated easily or stolen.
* Decide what must be done to earn the classroom currency. Allow students to use it to purchase special privileges.
* Students work out a currency conversion rate for the class currency compared to the Australian dollar. List 10 items from the school canteen (or similar school or local community organisation) and calculate the value of each one in the class currency (Worksheet E: Converting into class currency, see the accompanying Trading up resource document).

Review and reflect

* Pose the question: ‘What if all currencies were made illegal tomorrow?’ Students discuss the advantages and disadvantages of this.
* Students discuss and record on a class chart what they believe would happen across the globe. How could this affect our day to day lives?