Money makes
 the world go round,
Years 3 and 4

Sample activities for introducing financial literacy

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**Note:** Please see the accompanying Money makes the world go round resource document for supporting resources that can be printed and distributed to students.

Introduction to the sample activities

These sample activities are intended to be used as part of an introduction to financial literacy education for primary level students. They address strands within the Victorian Curriculum F–10 with a focus on the Mathematics, Economics and Business, Geography and Visual Arts curriculums.

During Session 1 students are introduced to the concept of money and develop an understanding of the purpose of currency. They identify the notes and coins in use as the Australian currency and research the features of these. In Session 2 the four uses of money are introduced and simple calculations are performed using money. During Session 3 students look at different currencies around the world and are introduced to the concept of an exchange rate. Session 4 offers an introduction to budgeting and the related concept of opportunity cost. Finally, during Session 5 students are introduced to the notion of smart shopping and the steps inherent to making wise decisions as a consumer.

These sample activities can be delivered in five sessions:

* Session 1 – What is money?
* Session 2 – Money works
* Session 3 – Different countries, different money
* Session 4 – Budgeting (extension activity)
* Session 5 – Smart shopping (extension activity)

**Links to the Victorian Curriculum F–10**

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

|  |  |
| --- | --- |
| **Curriculum areas:** Mathematics, Geography, Economics and Business, Visual Arts | **Curriculum levels:** Levels 2 to 6 |
| **Curriculum area** | **Content description** | **Session 1** | **Session 2** | **Session 3** | **Session 4** | **Session 5** |
| Mathematics | Level 2 – Count and order small collections of Australian coins and notes according to their value [(VCMNA111)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCMNA111) | **✓** |  |  |  |  |
| Level 3 – Represent money values in multiple ways and count the change required for simple transactions to the nearest five cents ([VCMNA137](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA137)) | **✓** | **✓** |  |  |  |
| Level 4 – Solve problems involving purchases and the calculation of change to the nearest 5c with and without digital technologies ([VCMNA160)](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA160) |  | **✓** |  |  |  |
| Level 5–Create simple financial plans [(VCMNA191)](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA191) |  |  |  | **✓** |  |
| Geography | Levels 3 and 4 – Collect and record relevant geographical data and information from the field and other sources ([VCGGC074](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCGGC074)) |  |  | **✓** |  |  |
| Economics and Business | Levels 5 and 6 – 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)) |  |  |  | **✓** |  |
| Levels 5 and 6 – 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) |  |  |  | **✓** |  |
| Levels 5 and 6 – 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)) |  |  |  |  | **✓** |
| Visual Arts | Levels 3 and 4 – Explore ideas and artworks from different cultures and times as inspiration to create visual artworks [(VCAVAE025)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCAVAE025) | **✓** |  |  |  |  |
| Levels 3 and 4 – Explore visual conventions and use materials, techniques, technologies and processes specific to particular art forms, and to make artworks [(VCAVAV026)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCAVAV026) | **✓** |  |  |  |  |
| Levels 3 and 4 – Explore different ways of displaying artworks to enhance their meaning for an audience [(VCAVAP027)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCAVAP027) | **✓** |  |  |  |  |
| Levels 3 and 4 – Identify and discuss how ideas are expressed in artworks from a range of places, times and cultures, including artworks by Aboriginal and Torres Strait Islander peoples [(VCAVAR028)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCAVAR028) | **✓** |  |  |  |  |

The activities in Sessions 1–5 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 Money makes the world go round resource document.

**Session 1**

* Worksheet A: Special collection coins
* KWL chart

**Session 2**

* The four uses of money
* Sample Australian coins and bank notes
* Worksheet B: Spending money

**Session 3**

* Worksheet C: Different countries, different money

**Session 5**

* Worksheet D: How much?
* Smart shopping graphic

Session 1 – What is money?

Overview

Duration

45–60 minutes

Curriculum links

**Relevant achievement standard extracts**

* Mathematics Level 2 – [Students] find the total values of simple collections of Australian notes and coins.
* Mathematics Level 3 – [Students] represent money values in various ways and correctly count out change from financial transactions.
* Visual Arts Levels 3 and 4 – students plan and make artworks that are inspired by artworks they experience. They use materials, visual conventions, techniques and processes to express their ideas in artworks. Students discuss how artists express ideas and use materials, techniques and visual conventions in artworks from a range of places, times and cultures.

**Links to content descriptions**

* Mathematics Level 2 – Count and order small collections of Australian coins and notes according to their value [(VCMNA111)](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA111)
* Mathematics Level 3 – Represent money values in multiple ways and count the change required for simple transactions to the nearest five cents ([VCMNA137](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA137))
* Visual Arts Levels 3 and 4 – Explore ideas and artworks from different cultures and times as inspiration to create visual artworks [(VCAVAE025)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCAVAE025)
* Visual Arts Levels 3 and 4 – Explore visual conventions and use materials, techniques, technologies and processes specific to particular art forms, and to make artworks [(VCAVAV026)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCAVAV026)
* Visual Arts Levels 3 and 4 – Explore different ways of displaying artworks to enhance their meaning for an audience [(VCAVAP027)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCAVAP027)
* Visual Arts Levels 3 and 4 – Identify and discuss how ideas are expressed in artworks from a range of places, times and cultures, including artworks by Aboriginal and Torres Strait Islander peoples [(VCAVAR028)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCAVAR028)

Learning intentions

Students:

* develop an understanding of money and its history
* identify the coins and notes within Australia’s currency and conduct online research about the features of Australian coins and notes.

Key terms

* **Banknote:** a piece of paper money
* **Change:** the difference between the price of something and the money that is handed over to pay for it
* **Coin:** a flat metal disc with an official stamp, used as money
* **Currency:** a system of money used in a particular country
* **Decimal currency:** a system of currency based on units of 10, 100 and 1000
* **Goods:** tangible (physical) items that can be seen and touched and which satisfy individual and societal needs and wants
* **Money:** a current medium of exchange in the form of coins and banknotes
* **Needs:** a good or service that consumers consider necessary to maintain their standard of living
* **Purchase:** to acquire something by paying for it
* **Service:** intangible products, such as jobs or tasks, that are usually performed in exchange for money
* **Wants:** a good or service that a person desires, but which is 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 Money makes the world go round resource document:

* Worksheet A: Special collection coins (one per pair or group of students)
* KWL chart (electronic or paper), to be filled in by the class

Students will also need:

* sticky notes
* access to the internet.

Teacher notes

This activity requires that students:

* have been introduced to the idea of exchanging money for goods and services
* understand the payment of change involved in a transaction.

Introduction to Session 1

Money did not always exist. Originally people traded goods and services directly when they had extra products they did not need. For example, if a farmer harvested a crop they would trade some of what they harvested for items they needed but did not have. Money, or currency, came about because it made trade easier and was far more convenient to use.

This activity introduces students to the notion of money as a medium of exchange and basic skills in conducting transactions using money.

Each country has its own type of money or ‘currency’.

* Australia has a decimal system of currency. Our money is in units of ten.
* 100 Australian cents equal one Australian dollar ($AUD)
* Money in Australia comes in two forms:
* coins: 5c, 10c, 20c, 50c, $1 and $2
* banknotes: $5, $10, $20, $50 and $100

Activity 1

Students are to indicate how much money they would have in total if they had the following in their hand:

* One $5 note and one $2 coin
* Two 20c coins and five 10c coins
* Four $10 notes, two $20 notes and one $100 note
* Two $50 notes, six 5c coins and four 50c coins

Students are to suggest two combinations of notes and coins that could be used to make the following purchases:

* A chocolate bar worth $2.20
* A pair of socks worth $5.60
* An apple worth $4

If you made the following purchases, how much change should you receive?

* You pay for a chocolate bar worth $2 with a $5 note
* You buy a toy worth $10 with a $20 note
* You buy a drink for $2.50 and pay with a $2 coin and a $1 coin

Activity 2

* Introduce the following idea: ‘We all want and need things. To get these things we need money.’
* Introduce the use of a KWL chart (example below): Display this (blank) in the classroom.

|  |  |  |
| --- | --- | --- |
| K | W | L |
| What do I already know about this subject? | What do I want to learn about this subject? | What did I learn about this subject? |
|  |  |  |

* Write the word ‘money’ on the board.
* Instruct students discuss with a partner what they know about money. Each pair then reports back with two features or ‘facts’ about money.
* Add each idea to the class KWL chart displayed in the classroom, in the ‘K’ column.
* Using the responses recorded in the ‘K’ column, develop a class statement about money, for example: ‘We use money to buy things that we want’.
* Pose the question to the students: ‘What do you want to learn about money?’ As the discussion continues, add ideas that arise to the KWL chart in the ‘W’ column.
* Write this statement on the board:‘Money is anything used to purchase or buy goods or services. We swap money for things that we either want or need.’
* Compare the original class statement and the new statement. Discuss differences and similarities.
* After the class discussion, come to a final definition of money. Record this and display in the classroom.
* Ask students to each write down what they have learnt about money on sticky notes. Students then add these to the KWL chart in the ‘L’ column.

Class task A

Show students the video ‘[Making Money](https://www.abc.net.au/btn/classroom/making-money/10529786)’ which is a tour of the Royal Australian Mint.

* The Royal Australian Mint is making a special edition set of coins. You and your team have been selected as the potential new designers. Your team has the following task:
* Design a special edition set of coins including a $2, $1, 50c and 20c coin. (See Worksheet A: Special collection coins in the accompanying Money makes the world go round resource document.)
* Your team should decide what the theme or idea connecting each coin could be. For example, Australian sports people, Australian towns, or maybe an occupation such as farming.

Have students work in pairs or groups to complete Worksheet A: Special collection coins.

Class task B (optional extension)

* Issue each student with five sticky notes each.
* Working in pairs, students use the links to the [Royal Australian Mint](https://www.ramint.gov.au/learning) and [Reserve Bank Australia](https://www.rba.gov.au/banknotes/) websites to complete the following tasks:
* Locate five facts about Australian coins and five facts about Australian banknotes that you did not know before today (ten facts in total).
* Record each fact on a sticky note.
* Collect the completed sticky notes at a central point.
* Ask each student to read out five facts that they have learnt.

Review and reflect

* Students leave their sticky notes at their desks and conduct a ‘walk around’, viewing each other’s work and ideas. They then find five new facts they now know about money as a result of the walk around and looking at the Reserve Bank and Royal Australian Mint websites. These five facts are then added to the KWL chart under ‘L – What did I learn about this subject?’.

Opportunity for assessment

Assess responses to Activity 1 through collection of student work.

Session 2 – Money works

Overview

Duration

45–60 minutes

Curriculum links

Relevant achievement standard extracts

Mathematics Level 3 – [Students] represent money values in various ways and correctly count out change from financial transactions.

Mathematics Level 4 – Students solve simple purchasing problems with and without the use of digital technology.

Links to content descriptions

* Mathematics Level 3 – Represent money values in multiple ways and count the change required for simple transactions to the nearest five cents ([VCMNA137](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA137))
* Mathematics 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)

Learning intentions

Students:

* understand the four uses of money
* perform simple transactions using coins and notes.

Key terms

* **Banknote:** a piece of paper money
* **Change:** the difference between the price of something and the money that is handed over to pay for it
* **Coin:** a flat metal disc with an official stamp, used as money
* **Currency:** a system of money used in a particular country
* **Decimal currency:** a system of currency based on units of 10, 100 and 1000
* **Goods:** tangible (physical) items that can be seen and touched and which satisfy individual and societal needs and wants
* **Money:** a current medium of exchange in the form of coins and banknotes
* **Needs:** a good or service that consumers consider necessary to maintain their standard of living
* **Purchase:** to acquire something by paying for it

Teacher resources

The following resources have been provided in the accompanying Money makes the world go round resource document:

* The four uses of money
* Sample Australian coins and bank notes (you can use any ‘fake’ Australian money)
* Worksheet B: Spending money (optional)

Students will also need:

* sticky notes
* a variety of store catalogues or brochures (cut out images of items with prices for distribution to students as a ‘sale’)
* a calculator
* poster paper (one sheet per pair of students)
* ‘The Great $20 Adventure’ by Effie Zahos (optional)

Teacher notes

This activity requires that students:

* have prior knowledge about what money is, its purpose and features
* have completed Session 1.

Introduction to Session 2

Money is something that we all think about and use nearly every day of our lives. In order to lead successful and happy lives we need to be financially secure and develop good financial literacy skills. People who are financially literate have skills that help them earn, handle, save, invest and spend their money wisely. Your future financial security, wellbeing and happiness depends on developing a strong set of financial literacy skills.

Important financial literacy skills include being able to save money to use later on, knowing the difference between needs and wants, being able to manage a budget and pay bills, make important purchases such as a house, pay for education and plan for retirement at the end of our working lives.

In this session we explore the four different ways money is used. We look at making purchases using money and some of the calculations that need to be made when doing this.

Activity

**Optional introduction:** Read ‘The Great $20 Adventure’ by Effie Zahos – discuss that there is more that we can do with money than just spend it!

* Refer back to and review the class definition of money from Session 1.
* Give each student four sticky notes and ask them to write down four different things that money could be used for, for example: paying someone for doing a job, or buying an ice-cream.
* Place all the sticky notes on the board.
* Introduce the resource The four uses of money (see the accompanying Money makes the world go round resource document) and speak through this using student-friendly terms:
* **Medium of exchange:** to swap for things we want. Point out that money is recognised by everyone as having a value and that the reason money is useful as a medium of exchange is because it is portable. *Ask students:* ‘What are the advantages of being able to carry money in a wallet or purse?’, ‘What would happen if some people didn’t believe that a currency was worth anything to them?’
* **Measure of value:** to show how much something is worth. *Display two**items.* *Ask students*: ‘What do you believe these items are worth?’ Discuss how money helps us compare items. If we couldn’t use money to compare items there would be a lot of confusion and disputes.
* **Means of payment:** to pay for things we want. *Pose real-life purchasing scenarios to students. Ask students*: ‘What could you give the shop owner if you didn’t have money?’
* **Store of wealth:** to save and use later on. Money can be kept for a long time or saved to be spent later when we need it.
* Using these four uses as headings on the board, have students place each of their four sticky notes under the appropriate ‘use of money’ heading.

Class task 1

Calculating change

Show one (or more) of the following YouTube videos as an introduction to the activity that follows:

* [Australian money and simple addition](https://www.youtube.com/watch?v=lhpRbawq6i0)
* [Getting change](https://www.youtube.com/watch?v=PZpDeoj1Tqo)
* [Counting Australian coins](https://www.youtube.com/watch?v=wXgOSlSrfJY)
* [Representing money values](https://www.youtube.com/watch?v=7LFDTmkschs)
* [Ordering coins and notes](https://www.youtube.com/watch?v=hPlcvuoeEvM)
* [Australian coins (basic introduction)](https://www.youtube.com/watch?v=malhbnVdrMI)

Students are to work in pairs for this activity.

* Using the Sample Australian coins and bank notes (see the accompanying Money makes the world go round resource document), distribute the following money to each pair of students.
* 2 × $2 coins
* 3 × $1 coins
* 2 × 50c coins
* 5 × 20c coins
* 5 × 10c coins
* 5 × 5c coins

= Total $7.75 in coins

* 1 × $100 note
* 1 × $50 note
* 1 × $20 note
* 2 × $10 notes
* 2 × $5 notes

= Total $190 in notes

* Ask students to count and total how much money they have been given.
* Hand out a variety of store catalogues or brochures to students.
* Ask students to identify items to purchase from the catalogues using their allocated money. Students should state how much money they’ll need to hand over for the item, and calculate how much change they are due to receive. A calculator could be employed to do this.
* Students will need to go to the ‘shop’ (i.e. the teacher) to purchase the items with their money and receive the change they have calculated they are due. Students can ‘spend’ until they run out of money.
* Ask students to create a poster of cut-out images of what they have purchased, including the calculations of their spending and the change given.

Class task 2 (optional extension)

Students to completeWorksheet B: Spending money (see the accompanying Money makes the world go round resource document).

Review and reflect

* Have students write one sentence about what they learnt from Class task 1 at the bottom of their posters. The aim is for the response to be short and succinct. This statement should be different to the learning intentions and written in students’ own language. Students to conduct a ‘walk around’ and move around the room looking at the posters and different things other students have learnt.

Opportunity for assessment

Collect and assess student purchasing posters from the task and Worksheet B: Spending money.

Session 3 – Different countries, different money

Overview

Duration

45–60 minutes

Curriculum links

Relevant achievement standard extract

Geography Levels 3 and 4 – [Students] collect and record relevant geographical data and information …

Link to content description

* Geography Levels 3 and 4 – Collect and record relevant geographical data and information from the field and other sources ([VCGGC074](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCGGC074))

Learning intentions

Students:

* understand that currencies differ between nations
* convert between currencies using an online converter.

Key terms

* **Currency:** the money that is used in a particular country at a particular time
* **Currency conversion:**the changing the currency of one country into that of another
* **Exchange rate:** the value of the currency of one country compared to that of another

Teacher resources

The following resource has been provided in the accompanying Money makes the world go round resource document:

* Worksheet C: Different countries, different money

Students will also need:

* a [blank world map](https://www.mapsinternational.co.uk/kids-zone)
* access to an online currency converter (for example, [XE Currency Converter](https://www.xe.com/currencyconverter/))
* image of Australian dollar and a Euro
* an illustrated [world map](https://www.mapsinternational.co.uk/kids-zone) (to display – can be printed for each pair of students)

Teacher notes

This activity requires that students:

* be aware of the concept of money and different currencies
* can independently operate a search engine to locate the names of the currencies from different countries.

Introduction to Session 3

When you travel overseas or trade with people in other countries it soon becomes obvious that not everyone has the same type of money as Australia. It is important to be aware of the currency of any country you visit and the value of that currency compared to our Australian dollar. When you travel you need to change Australian dollars to the currency of the country you are visiting before you can go shopping with cash. For example, if you travel to the USA you will need US dollars. If you travel to China you will need Chinese yuan. You can exchange money at a currency exchange office. These businesses are found at airports, banks and sometimes in shopping centres.

Activity

When you travel to other countries, or trade (buy and sell) with someone from another country, you will notice that most countries have their own currency, or type of money, different to our own. Students may have travelled themselves, or have grandparents or family or friends that have shown them money from different countries.

* Ask students to share their experiences with different currencies. Pose the questions: ‘What did you notice about the money?’, ‘How is it different to our Australian money?’
* Explain how Australian currency has a different value to other currencies. For example, one Australian dollar is not worth the same as one Euro (show pictures of the different currency).
* Model how to convert from one currency to another using an online currency converter such as [XE Currency Converter](https://www.xe.com/currencyconverter/).

Class task 1

Students are to work in pairs. Distribute the world maps: one blank world map per student and one illustrated (non-blank) world map per pair. Ask students to follow the instructions below:

You have won a cruise!

* You and a friend have won tickets for a worldwide cruise.
* Using the blank world map, devise an itinerary showing the names and locations of the places you will be visiting. You must stop at all of the following locations plus two others of your choosing:
* Australia
* New Zealand
* Thailand
* Italy
* Great Britain
* Canada
* Brazil
* Japan
* China
* Two more countries of your choice
* Mark in the route you will sail on the blank map.

Direct students to Worksheet C: Different currencies, different money(see the accompanying Money makes the world go round resource document) and have them complete the transactions.

Class task 2

* Using the map of the cruise and the internet, ask students to research the countries that they are visiting and list the name of their currencies. (Optional extension: Students to locate and print images of the different currency.)
* As they research, students can colour in or mark each country on the blank world map provided to show where they have been.

Review and reflect

* At the start of the session, designate a student as the focus student. This student will be responsible for reflecting on the session. They will need to synthesise the responses of other students in the class, or could photograph or take notes on what has been happening around the room, depending on the age level of students and technology available.
* The focus students can be given guidelines on what to look for at the beginning of the session, for example, ‘find two people who have found currency from at least five different countries’.

Opportunity for assessment

Collect and assess Worksheet C: Different currencies, different money.

Session 4 – Budgeting (extension activity)

Overview

Duration

45–60 minutes

Curriculum links

Relevant achievement standard extracts

Mathematics Level 5 – [Students] explain plans for simple budgets.

Economics and Business Levels 5 and 6 – Students outline the advantages and disadvantages of proposed actions …

Economics and Business Levels 5 and 6 – [Students] recognise that choices need to be made when allocating resources.

Links to content descriptions

* Mathematics Level 5–Create simple financial plans [(VCMNA191)](https://victoriancurriculum.vcaa.vic.edu.au/Search?q=VCMNA191)
* Economics and Business Levels 5 and 6 – 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))
* Economics and Business Levels 5 and 6 – 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+)

Learning intentions

Students:

* recognise that budgeting involves an ‘opportunity cost’
* draw conclusions about the most appropriate consumer choices.

Key terms

* **Budget:** a financial plan for a defined period or event
* **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.

Teacher resources

* MoneySmart website: [Party time](https://static.moneysmart.gov.au/teaching/resources/party-time/index.html) online interactive activity

Students will also need:

* access to the internet.

Teacher notes

This activity requires that students:

* can estimate and calculate simple additions and subtractions using decimals.

Introduction to Session 4

Most of us have a fixed amount of money available to spend on goods and services. This means that we need to make wise choices about how we spend our money so it is used to satisfy as many of our needs and wants as possible. When we waste money, or spend it on things that we really do not need, our money can run out, leaving us unable to buy the things we require such as food and shelter. A budget is a plan for how we will spend our money over a period of time. Learning how to prepare and stick to a budget is an important financial literacy skill that will help us lead more financially successful and stable lives in the future.

When planning a budget, we need to consider which goods and services will be purchased and which must be forgone (given up) because the amount of money available is limited or set. A key economic principle is ‘opportunity cost’. This means that because we only have a limited amount of money available, every time we buy a good or service we give up the opportunity to buy something else with that money. For example, if you choose to spend $50 that you have been given as a gift on a new pair of jeans, the opportunity cost of that decision could be that you could not afford to go to the movies with your friends. Every time we make an economic decision we should consider the opportunity cost of that decision, or: ‘What will I no longer be able to have or purchase if I buy this item?’

Activity

* Inform students: ‘I am planning a birthday party.’ Outline what you would like to do for your party, writing the information on the board as you go (for example, I am having seven guests, I need to provide food and drinks, there will be a dress-up theme, I need to decorate the room, etc. – be as creative as you like!)
* Using any party supplies website, model to students on an IWB or computer your excitement as you click through the site and add item after item to your ‘cart’. Discuss why you want the items, deliberately select a large quantity of items, or items that appear expensive. Go to your cart and show surprise at the total cost – this is something you can’t afford! Explain that you have missed out on things you needed (for example, a cake) because you spent too much on other things.
* Pose the question to students: ‘What could I have done better?’
* With feedback from students, discuss the importance of planning an activity or event they wish to organise. When money is involved the planning is often referred to as a budget. A budget is essential to make sure the money available for the activity is spent wisely.

Class task 1

Interactive online activity: Party time (MoneySmart website)

Tell students that you need their help planning your party, but first they will need some planning practice.

* Students to access the online interactive activity [Party time](https://static.moneysmart.gov.au/teaching/resources/party-time/index.html) on the MoneySmart website.
* The activity can be completed individually, but preferably in pairs so budget choices at each stage can be discussed between students.
* Students work through the activity, ensuring the items they wish to purchase for the party do not exceed the set budget.
* Students to repeat the activity by selecting the alternative option (Pool Party or Circus) not chosen in the first attempt.
* This activity can be repeated several times using different scenarios by altering the number of guests attending the party. Increasing the number of guests will increase the budget for the party.

Class task 2

* Using the party planning information that you provided at the start of the session, ask students to ‘purchase’ the items for your event. Allocate them an appropriate budget that they are allowed to spend. Students will need to find real-life costs online and record everything they have ‘purchased’.
* Optional extension: Students can plan their own party with their own requirements and set budget.

Review and reflect

Class discussion:

* What was the key learning from this activity?
* What were the most difficult choices you had to make?
* How would your choices have altered if you had a higher budget?
* How would your choices have been affected if you had a lower budget?

Session 5 – Smart shopping (extension activity)

Overview

Duration

45–60 minutes

Curriculum links

Relevant achievement standard extract

Economics and Business Levels 5 and 6 – Students identify strategies that will assist in making informed consumer and financial decisions.

Link to content description

* Economics and Business Levels 5 and 6 – 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:

* develop strategies to become smart consumers
* calculate discounts on purchases.

Key terms

* **Advertising:** messages paid for by sellers that promote something for sale
* **Consumer:** a person or group who uses or purchases goods and services
* **Discount:** a reduction in the price of something
* **Impulse buying:** a purchase made without planning
* **Receipt:** proof of purchase
* **Sceptical consumer:** a consumer who is not easily convinced by a salesperson or advertising, who doubts or questions information they are given. They do not believe everything they are told by a salesperson.
* **Smart consumer:** a consumer who gets best value for money when purchasing a product (i.e. the best quality at the lowest cost)

Teacher resources

The following resources have been provided in the accompanying Money makes the world go round resource document:

* Smart shopping graphic
* Worksheet D: How much? (one copy per student or pair)

Students will also need:

* images of five items students may like to purchase (students can select their own)
* access to the internet
* catalogues and brochures

Teacher notes

This activity requires that students:

* are able to independently conduct internet research
* are able to calculate simple percentage discounts (extension activity).

Introduction to Session 5

We all go shopping to buy the products we use to satisfy our needs and wants. We use our money to pay for these things. Each of us has different amounts of money available in order to pay for products. Very few people have so much money that they can afford to buy everything they need and want. In other words, money is limited, or finite, so we cannot satisfy all of our wants and must make economic decisions about which we will pay to have satisfied. Consequently, most of us must make choices about what we spend our limited amount of money on.

As a shopper you should aim to get the most out the money you have available to spend. This is often called getting ‘value for money’, or the ‘best bang for your buck’.

Activity

* Ask students to visualise something they really want to buy.
* Have students turn and talk to a partner about what this item is, why they want it and where they plan to go to buy it.
* Pose the questions to students: ‘What do you think about before you go and buy an item that you want?’
* Record students’ responses on the board. These might include: ‘I think about the shops closest to home, how much money the item will cost’, etc. Tune in to responses that make reference to cost.
* Pose the question to students: ‘Why do we want to buy items at the cheapest price possible?’ Discuss the class responses.
* **Note:** We seek to purchase items at the lowest cost possible in order to use our money to obtain as many of our needs and wants as possible.
* Pose the question to students: ‘What things can a shopper do in order to pay a lower price for something they wish to buy?’
* Record and discuss responses as students provide them. These might include the following:
* shop during a sale
* buy items that have been discounted
* shop at discount stores
* compare prices between different sellers
* shop around
* shop online
* wait for a sale
* read labels
* read reviews
* buy second-hand items
* Compare their responses to the Smart Shopping graphic (see the accompanying Money makes the world go round resource document) with students.
* Watch ‘[The Grapple](https://www.consumer.vic.gov.au/resources-and-tools/teacher-resources/videos/clips-for-kids)’ on the Consumer Affairs Victoria website.
* Discussion:
* What is this video telling us about making decisions about how we spend our money?
* Why it is important to make good decisions about spending and saving money?
* What happens when we make bad decisions about how we use our money?

Class task 1

* Display five popular items that the students might like to buy.
* Students to work individually or in pairs to conduct online research to obtain the price of either one of the five items or an item of their choosing, from at least three different stores and complete Worksheet D: How much? (see the accompanying Money makes the world go round resource document).

Class task 2 (optional extension)

Calculating discounts

* Students to find images from catalogues and calculate what they would pay if given different discounts (e.g. 10%, 25%) using a table like the one below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Product name and description | Original or usual price | Discount % | New price | Cash  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Review and reflect

* Discussion: ‘Is a lower price the only thing that a consumer could be on the lookout for? What else is important to consider?’

Opportunity for assessment

* Students construct a poster or multimedia presentation on the topic: ‘How to be a smart consumer’.