

- Students will enjoy bartering, trading, selling and buying in a classroom market. Have students draw or cut out pictures from magazines and newspapers of goods or services that they would like to sell. Using play money or some other form of currency like counters, have students shop among classmates' businesses. Afterwards, discuss what goods or services were in high demand, and how that demand affected prices. Did any students barter and why? Was there competition?

### Suggested Internet Resources

Periodically, Internet resources are updated on our web site at [www.LibraryVideo.com](http://www.LibraryVideo.com)

- [www.econedlink.org/](http://www.econedlink.org/)  
The National Council on Economic Education offers lesson plans, definitions and resources for K-12 teachers and learners.
- [teacher.scholastic.com/commclub/](http://teacher.scholastic.com/commclub/)  
Scholastic offers an interactive look at community workers and their jobs.
- [www.cfaitc.org/](http://www.cfaitc.org/)  
Sponsored by the California Foundation for Agriculture in the Classroom, this site provides interactive games, lessons and quick economic facts about goods, services and markets.

### Suggested Print Resources

- Firestone, Mary. *Earning Money*. Capstone Press, Mankato, MN; 2005.
- French, Vivian. *Mrs. Hippo's Pizza Parlor*. Kingfisher, Boston, MA; 2004.
- Gilman, Laura Anne. *Economics*. Lerner Publications, Minneapolis, MN; 2006.

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#### TEACHER'S GUIDE

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#### COMPLETE LIST OF TITLES

- SAVING, SPENDING & INVESTING MONEY
  - STARTING A BUSINESS
- U.S. INDUSTRIES & RESOURCES
  - WHAT IS ECONOMICS?

Teacher's Guides Included  
and Available Online at:

**800-843-3620**



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## What is Economics?

### Grades K-4

From getting a haircut to buying popcorn at the movies, students encounter economics everyday! This series is designed around the main theme of economic interdependence between producers and consumers, wants and needs, goods and services, and the important role that children have as active participants in the economics of the home, community, United States and the world. Content is presented through a hands-on, interactive approach using kid-friendly language and includes basic definitions of economic terms. Follow along as our students travel through the daily world of economics and use decision-making skills to attain what they need and want.



## Program Summary

From on-line shopping to delivering newspapers as a part-time job, students buy, sell, work and participate in the economy everyday. Markets exist wherever people come together to sell or buy goods and services. Businesses are started when people see a scarcity and demand for a certain product and focus on making and/or selling that product to make a profit. All businesses need resources in order to operate, including human, natural and capital resources. Transportation is an important part of getting the product, resource or customer to the business. Students and community members take part in the economy as consumers and producers. Every purchase in a local store or market affects dozens of people and businesses in the economy.

## Vocabulary

**economy** — The activities related to the making, trading and selling of goods and services.

**market** — Any place where consumers can purchase or acquire goods and services. Examples include a garage sale, web site or newspaper.

**goods** — Things people make or grow.

**services** — Jobs people do to help others.

**businesses** — Organizations or individuals that provide, sell and/or buy a certain kind of good or service to/for others.

**scarcity** — A lack of a good or resource. In economics, a business often forms to fill a scarcity in the market.

**profit** — The money a business earns after it pays for supplies, salaries and other costs.

**human resources** — The people who are needed to perform work or services in a business.

**natural resources** — Something that is found in nature that people can use. Oil is an example of a natural resource.

**labor** — Work.

**salary** — The money a person earns for performing work or a service. A salary can also be called a wage.

**conservation** — The activities you do to lessen the use or waste of a resource.

**capital resources** — Any goods that are produced and used to make other goods and services. A computer and a computer desk are examples of capital resources.

**transportation** — Any way of moving people or things from place to place.

**producer** — In economics, a person who makes goods and services.

**consumer** — In economics, a person who buys and uses goods and services.

## Pre-viewing Discussion

- What are markets? Brainstorm the different types of markets in your town.
- What are natural resources? How and why do we use them?
- Why do people work? Discuss the kinds of work and workers you see everyday.

## Focus Questions

1. What are businesses? How are businesses alike? How are they different?
2. What are goods and services?
3. Name and define the three kinds of resources needed by businesses.
4. What is conservation? Why should we practice conservation?
5. What is profit?
6. What is the difference between consumers and producers? Can a person be both? Why?
7. What is transportation? How does it interact with the economy?

## Discussion Questions

- How does transportation affect a business? Discuss different types of transportation and how each type can be used by a business.
- Why are capital resources a necessary part of a business? Choose a business and discuss the capital resources needed for its operation. What would happen if the business did not have a certain capital resource?
- How does a pencil wind up for sale on a store shelf? Discuss the resources and economic concepts that are involved in getting a pencil from its natural resource to its customer.

## Follow-up Activities

- Students might be surprised to find out how much of what they do is related to economics. Have them write down a typical day's activities and then analyze the goods and services they used. Look for examples of when they were producers, such as helping at home, and when they were consumers, like in the cafeteria eating lunch.
- Take students on a walk around the community to examine the types of businesses and the kinds of goods and services they provide. Graph the students' findings and discuss the results. Which products appear to be the most popular? Does there appear to be a scarcity of a certain product? Why do you think a product is not popular? How does the amount and kinds of businesses reflect the community members' needs and wants?
- Create a community worker book. Ask students to research a favorite career or interview a worker at a local business in order to complete a one-page report or information sheet. Have students include information about the daily activities required at the job, resources that are used, and the benefits of performing this job. Compile the information sheets into a classroom book and share with the students.
- Play a game with students involving mystery careers. Have students choose a career and list clues that allow others to guess the occupation and/or worker. Use clues such as the goods or services produced, location of the market where the product is sold or made and the resources used during a day on the job.
- Flea markets, bazaars, emporiums — no matter what the name, they are places where buyers and sellers meet to buy or sell goods and services. Students might be fascinated to examine markets from around the world. Read *Market Day* by Lois Ehlert (Harcourt Brace, 2000) and have students look at consumers and producers, and crafts and foods that are sold in different countries.

(Continued)