## GOODS AND SERVICES

### Essential Question:
How are goods and services produced, consumed, and exchanged to satisfy needs and wants?

### Standards:
- NCEE 1 - Scarcity
- NCEE 3 - Allocation
- NCEE 5 - Trade
- NCEE 11 - Money and Inflation
- NCEE 15 - Economic

### New Key Terms:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barter</td>
<td>Trading a good or service directly for another good or service, without using money or credit.</td>
</tr>
<tr>
<td>Capital Resources</td>
<td>Resources made and used to produce and distribute goods and services; examples include tools, machinery and buildings.</td>
</tr>
<tr>
<td>Consumers</td>
<td>People who use goods and services to satisfy their personal needs and not for resale or in the production of other goods and services.</td>
</tr>
<tr>
<td>Goods</td>
<td>Tangible objects that satisfy economic wants. (ASL Motion: Use your hands like scoops to come together to create a birds nest)</td>
</tr>
<tr>
<td>Human Resources</td>
<td>The health, education, experience, training, skills and values of people. Also known as human capital.</td>
</tr>
<tr>
<td>Intermediate Good</td>
<td>A good that is used in the production of final goods and services.</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>&quot;Gifts of nature&quot; that can be used to produce goods and services; for example, oceans, air, mineral deposits, virgin forests and actual fields of land. When investments are made to improve fields of land or other natural resources, those resources become, in part, capital resources. Also known as land.</td>
</tr>
<tr>
<td>Producers</td>
<td>People and firms that use resources to make goods and services.</td>
</tr>
<tr>
<td>Resources</td>
<td>The basic kinds of resources used to produce goods and services: land or natural resources, human resources (including labor and entrepreneurship), and capital.</td>
</tr>
<tr>
<td>Services</td>
<td>Activities performed by people, firms or government agencies to satisfy economic wants. (ASL motion snipping hair with the index and middle finger)</td>
</tr>
</tbody>
</table>
Remembering

Objectives

- Define goods as objects that satisfy people’s wants and services as activities performed by people, firms or government agencies to satisfy economic wants.
- Give examples of goods and services.
- Match services and productive resources to the appropriate producer.
- Identify that money is used by people to buy and use goods and services.

Exploration:

A. Understanding Goods and Services

Explain to students that people buy, use, and exchange goods and services. A good is a physical item that can be bought, touched, and used. A service is the action done for people who pay for the service.

Create cards or a chart with the following words. With each word have students name it as a GOOD or SERVICE. They may also use the ASL hand motions when you hold up each card or point each word on the flip chart.

1. Flowers (GOOD)
2. Paint (GOOD)
3. Baker making cookies (SERVICE)
4. Car (GOOD)
5. Doctor giving a shot (SERVICE)

B. Producers and Resources

Show pictures of the following PRODUCERS or give the names of the producer to students. Have students act out the producer without using words. The class will guess Who is the producer? And what service or good are they producing?

1. Show the Producers and Resources data table or write this chart on the board. Fill out the producer and consumer columns as the class guesses who the producer is and fill out the good or service they provide.

<table>
<thead>
<tr>
<th>Producer</th>
<th>Good or Service (Possible Answers)</th>
<th>Resources (Possible Answers)</th>
</tr>
</thead>
</table>
| Gardener | Cuts grass and plants flowers, trees, and plants (service) | Soil, water- natural/goods  
Team of gardeners- human/ service  
Shovel, rake, lawn mower- capital/ goods |
| Painter  | Paints buildings (service)        | Water- natural/ good  
Painting assistants- human/ service  
Paint, paint brush, ladder- capital/ |
Explain that people use resources to produce a good or service. There are natural resources which are not manmade, human resources, which are the service providers, and capital resources which are the tools used to produce a good or service.

2. Have students brainstorm resources each producer uses and have students determine if each resource is a natural, human, or capital resource and whether it is a good or service. Write their answers in the resources column.

Explain to students that people who want particular goods and services and are willing to exchange money with the people producing the good or service are called consumers.

3. Show Producer Web chart and the different types of producers. Each student or consumer must come up to the board and choose a producer (gardener, painter, baker, taxi, bus, truck driver, doctor) and match the CONSUMER sentence strip describing the good or service they would buy with the PRODUCER. Also, encourage students to come up with their own sentence that shows what good or service they would buy from the PRODUCER.

Here is an example Word Web for producer. Answers may vary for each producer depending on what good or service they want to buy from the producer they choose.
Assessment:

1. A good is something that ______________.
   a. you can use  b. you can touch  c. satisfies wants  d. all of the above

2. A service is _______________.
   a. a job you do for others  b. paid for by a consumer  c. satisfies wants  d. all of the above

3. Match the service to the producer.
   Services
   Helps children learn
   Keeps neighborhoods safe
   Gives haircuts
   Keeps beaches safe
   Keeps pets healthy
   Producers
   Veterinarian (Keeps pets healthy)
   Police Officer (Keeps neighborhoods safe)
   Stylist (Gives haircuts)
   Teacher (Helps children learn)
   Lifeguard (Keeps beaches safe)

4. True or False. Many goods are made from natural resources.

5. Producers use ________________ to make goods and services.
   a. consumers  b. money  c. resources  d. markets

6. True or false. Everything we purchase to satisfy our wants is either a good or a service.

7. Consumers use ________________ to buy goods and services.
   a. producers  b. money  c. banks  d. investors
Understanding

Objectives:
Explain that economic wants are desires that can be satisfied by consuming a good or service or leisure activity.
When given a scenario, students explain why all the wants cannot be satisfied.
Differentiate between bartering and using money as forms of exchange in order to be better off.

Exploration:

A. Goods and Services We Use Everyday

Write a story in your journal about every single thing you’ve done since yesterday morning. Write these events in order.

Show the Goods and Services We Use Everyday chart with questions that can guide the students’ writing. Remind students to include even the “little” or “boring” things such as brushing teeth and waking up.

Flip Chart Guiding Questions
* What are the things you did after getting up from bed?
* What items did you use in getting ready?
* What did you eat and what did you use to eat?
* What chores do you do before leaving for/coming back from school? How do you get to school?
* What tasks did you do in class? What items do you need to perform the task?
* What did you eat for lunch? Who served it?
* How did you get home? What did you do on the way home?
* What did you do at home before going to sleep?
* If you use the computer, do you use the Internet and for what?
* If you watch TV, do you use cable or a DVD player?

1. Have students create a Goods and Services T-Chart on the next page in their journal. They will write all the goods from their story and all the services that were performed from their story.

2. Choose 3 goods and 3 services from the T-Chart. Write an explanation of why you use these goods and services.

Explain to students that people’s wants and desires are satisfied when they consume a good or service.
_________ wants were satisfied when he/she consumed ________________.

Have students share one good and one service and say out loud, “My wants were satisfied when I consumed (bought, used, ate, etc) ______________. I wanted ______________ because________________________.”

Possible answer: My wants were satisfied when I consumed or used my computer and the Internet. I wanted my computer and the Internet because I am able to do research for my science project and to check my email.

B. Satisfying All Wants

Explain to the students that their room will be getting 2 new computers. The teacher needs to find a way to have all 20 students in the class use the computers fairly. There’s only 60 minutes in a class period and the class meets 5 days a week. The teacher knows that there isn’t enough time in the class period
and maybe all students won’t get the same amount of time on the computer. What can the teacher do to make sure that each student gets some time to use the computer?

Remind students that, in regards to wanting goods and services, not all wants can be satisfied.

Put students in small groups (2-3 students). Ask each group to write what are the pros and cons of each scenario. Students will write whose wants are met/ not met in each scenario as well. Designate a “writer” and “reporter.”

Scenarios
1) The teacher can put aside the last 10 minutes and have 1 boy and 1 girl use the computers for 5 minutes. This way, 4 students can use it each day. The teacher can choose what day each pair of boys and girls can use the computers.

2) Students can use the computer whenever they are finished with their class work and homework. This means that the students who complete their work early may have more time on the computer than those who take longer to finish their assignments.

3) The teacher can use a reward system during the week (ex. earn a stickers to use computer. 1 sticker= 1 minute on the computer.)

C. Bartering Activity

Before implementing this part of the lesson, have students bring 3 goods from home and a list of 3 services they feel they can do well. (Goods examples: toy, stuff animal, game, pens, crayons. Service example: sweep and dust, wash dishes, type papers, tutoring, fixing hair). Explain that they will get back their original goods they brought in to class. The purpose for students bringing their goods is to demonstrate bartering. If it is not possible for students to bring items from home, they may draw items on note cards or post-its.

With your 3 goods and 3 services, create a poster highlighting your “Goods”. Students will write a brief explanation of what your goods are. Create a post-it highlighting your “Services.” Students will write a brief explanation of what services they can do. This will make it easier to barter using a post it with their service.

Put students in groups of 4. Explain to students that they are to barter or trade their goods or service.

Explain to students that bartering is exchanging your goods and/or services because you want someone else’s goods and/or services. This trade happens because each person is giving up something that the other person wants.

The students in each groups will read each other’s posters and discuss with each other what good or service they are interested in trading for. After the students choose what they want and what they are choosing to trade, they must prepare written statements answering the following:

Bartering Activity
What did you give up? What did you get out of the barter?
Was it a good trade? Was it fair?
How did you decide that this was an “even” or “fair” trade?

Each group will share what goods or services they bartered and discuss how they decided that this was an even trade.

After the groups of students share, they will answer the following question on their Bartering Activity
Why is money better used in exchange for goods and services than bartering?

Possible answer: The goods or services you want have a universal money value and would be considered an even exchange. With bartering, you would have to find someone who would want your goods or services in order for you to get their goods or services. Also, both you and the other person have to agree that the amount of goods and services you are trading is fair and even.

**Assessment:**

1. Donna has three children. Distinguish whether each of Donna’s wants is a good or service and why she would want them for her children.

<table>
<thead>
<tr>
<th>Donna’s Wants</th>
<th>Why does Donna want this item?</th>
</tr>
</thead>
<tbody>
<tr>
<td>automobile</td>
<td>(good, to transport herself and her children to work and school)</td>
</tr>
<tr>
<td>cable television</td>
<td>(service, to entertain herself and her children)</td>
</tr>
<tr>
<td>clothing</td>
<td>(good, to provide warmth and be stylish)</td>
</tr>
<tr>
<td>doctor’s visit</td>
<td>(service, to stay healthy)</td>
</tr>
<tr>
<td>electricity</td>
<td>(service, to run lights and appliances)</td>
</tr>
<tr>
<td>groceries</td>
<td>(good, to eat and drink)</td>
</tr>
<tr>
<td>checking out books</td>
<td>(service, to learn and be entertained)</td>
</tr>
<tr>
<td>toys</td>
<td>(good, to play with and have fun)</td>
</tr>
</tbody>
</table>

2. A class is deciding how to share a cake. The class is made up of 1 male teacher, 14 boys, and 10 girls. Examine each proposal for sharing the cake, infer which proposal is the most fair to everyone and defend your choice.

   a. The teacher gets ½ the cake, and the students share the other half.
   b. Boys share ⅔ of the cake, and girls shares the other half.
   c. Everyone with A’s and B’s gets a big piece, everyone with C’s and D’s gets a small piece, and everyone with an F gets no cake.

All of the proposals have pros and cons.

Proposal A is more fair than B or C because having a college degree is desirable, gives status, and is difficult to earn, but Proposal A also gives half of the cake to the teacher and forces all of the students to share the other half.

Proposal B is more fair than A or C because it divides the cake most equitably by the number of people, but Proposal B also forces 15 males to share ½ the cake and 10 females to share the same amount.

Proposal C is more fair than A or B because it recognizes the accomplishments of the students and rewards good grades, but Proposal C also does not allow F students to receive a piece of cake, and also doesn’t allow the teacher to have any cake because he doesn’t earn grades!

3. Why do people trade goods and services with each other? (People trade goods and services so they can obtain something they want by trading something they want less.)

4. Explain why each of these people will be better off after trading.
   a. Carlos has a pack of pens and he wants a new eraser. Susan has several erasers but needs something to write with.
   b. Paul and Tara each have a bag of candy. Paul’s favorite color is red, and Tara’s favorite color is green.
   c. Michael is a math whiz but has a broken bicycle. Cheryl is good at fixing bicycles and needs help with math.

   (Carlos and Susan should trade so that they each have erasers and something to write with. Paul
and Tara should trade so that they will each have more of their favorite color of candy. Michael and Cheryl should trade so that Michael can use his bicycle and Cheryl can pass math.

5. Demetri forgot his pencil. His teacher will trade him for a pencil. Explain what Demetri could give to his teacher in order to create a fair exchange.
Possible answers: Demetri could offer a service, like sweeping or cleaning up the classroom. He could offer to exchange paper for the pencils he borrowed. Demetri could offer to pay money for the pencil.

6. Describe ways of obtaining these goods and services, without using money.
a. A new pair of shoes (Make a deal with a parent to do chores in exchange for the shoes)
b. A video game (Find someone that has the game and offer to trade one of your other games for it)
c. A haircut (Offer to clean the salon for a day in exchange for the haircut)
d. An orange (Trade an item out of your lunch for the orange in someone else’s lunch)
e. A basketball game ticket (Find a season ticket holder and offer to do them a favor in exchange for one of their tickets)

Answers may vary, but the student’s answers must demonstrate understanding that trade happens because each person gives up something that the other person wants.

7. Explain why using money makes it easier to get the same five items. (Not necessary to find someone that has the item. Don’t need to have an item or the ability to perform a service that the person wants. Money has a set value and is universally accepted.)

Applying

Objectives:
Diagram the relationship among a final good or service, the way it’s produced, and who consumes and produces it.
Define capital goods as goods that are produced and used to make other goods and services.
Compare market value of different goods and services.

Exploration:

A. Building a Peanut Butter and Jelly Sandwich

Have students create a list of resources needed to build a peanut butter and jelly sandwich. Encourage students to break down the natural resources into its simplest form.

<table>
<thead>
<tr>
<th>Building a Peanut Butter and Jelly Sandwich</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural Resources</strong> (Possible answers: wheat and flour to make bread, peanuts and oil to make peanut butter, fruit and sugar to make jelly)</td>
</tr>
<tr>
<td><strong>Human Resources</strong> (Possible answers: Sandwich maker= mom, dad, student, teacher)</td>
</tr>
</tbody>
</table>
### Capital Goods/Capital Resources
- tools, machines used in production

<table>
<thead>
<tr>
<th>Capital Goods/Capital Resources - tools, machines used in production</th>
<th>Intermediate Goods - goods that are used up during production</th>
</tr>
</thead>
<tbody>
<tr>
<td>knife, jar, plate, spoon</td>
<td>peanut butter, bread, jelly</td>
</tr>
</tbody>
</table>

### B. Peanut Butter and Jelly Sandwich Business

Explain to the students that they are opening a business that sells peanut butter and jelly sandwiches. This means they will be making a higher volume of sandwiches and selling it from their place of business. They will have to consider the number of goods needed to produce their good and what kinds of services they will need outside of their business to help make and sell their good.

They also have to consider what natural (what natural resources will be needed to produce goods), human (what types of people will you need to have your business run smoothly), capital goods (what tools and equipment will you need to produce your good), and what intermediate goods (goods that are used up during production) they will need to satisfy a large number of consumers.

In order for your business to be successful, you must know the goods or services you are producing, how it is produced, and who will consume your goods or services.

Show the flip chart for Goods and Services Chain of Production. Have students complete the Goods and Services Chain of Production. Students will fill in each oval or chain using the example with guiding questions.
Possible answers:
1) Peanut Butter and Jelly Sandwiches,
2) bread, jelly, peanut butter, plates, knives, spoons, counter space, jars
3) Professional sandwich makers (line cooks), cashier to sell your goods, drivers to deliver goods, advertising agent to advertise your business
4) Bread will be produced by bread companies and will be delivered to the business, oil and peanuts will be blended together to make peanut butter, fruit and sugar will be used to make jelly. Line cooks will make sandwiches using tools such as counter space knives, spoons, and plates to put ingredients together. They will package the sandwich and the cashiers will sell the sandwiches.
5) The consumers are kids, adults, people who love peanut butter and jelly sandwiches, people on the go who want a healthy simple meal. I can increase my consumers by using advertisements to inform the public about the business and what we sell.
6) Wheat, flour to make bread, oil and peanuts to make peanut butter, and fruit and sugar to make jelly
7) Sandwich maker, cashier, delivery driver, advertising agent
8) Knives, spoons, mixer, jars, counter space

C. Market Value of Goods and Services

Explain to students that their peanut butter and jelly sandwich business is doing well. Their business is looking to expand and use different fruits to create different jellies. Cost of the fruit plays a factor is purchasing that good (fruit) and students should compare the prices of fruits to determine what to buy.
The market value of a good or service is determined by the price of the good or service. The higher the price of the good or service, the higher the market value. The lower the price of the good or service, the lower the market value.

Have students look at the market value of the following fruits. The charts show the price of fruits in the summer and winter.

<table>
<thead>
<tr>
<th>FRUIT (FRESH UNLESS OTHERWISE NOTED)</th>
<th>SUMMER</th>
<th>WINTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strawberries</td>
<td>$2.00/lb</td>
<td>$5.00/lb</td>
</tr>
<tr>
<td>Grapes</td>
<td>$1.00/lb</td>
<td>$3.00/lb</td>
</tr>
<tr>
<td>Raspberries</td>
<td>$5.00/lb</td>
<td>$7.00/lb or $3.00/lb frozen</td>
</tr>
<tr>
<td>Peaches</td>
<td>$2.00/lb</td>
<td>$5.00/lb</td>
</tr>
<tr>
<td>Blueberries</td>
<td>$5.00/lb</td>
<td>$7.00/lb or $4.00/lb frozen</td>
</tr>
</tbody>
</table>

Using the chart above, answer the following questions.

1. **Market value** is the price a consumer will pay for a good or service. How does the market value change given the different seasons?

   **Possible answer:** The market values of strawberries, grapes, and peaches are lower in the summer and higher in the winter. The market values of raspberries and blueberries are higher in the summer. The raspberries and blueberries have a low market value in the winter but are sold frozen.

2. What are possible reasons to cause a change in the market value of the fruit?

   **Possible answer:** One reason to cause change in the market value is the weather. In the summer, fruits are in high supply so the cost is less. Another reason is that during the winter, fruits are shipped from other parts of the country that still grow the fruits.

3. Raspberry and blueberry jelly are your top sellers. The market value of both fruits in the winter increases as the supply is limited. You do have the option to purchase the frozen alternative. Given the market value, which option will you choose when ordering the fruit to make jelly? Why?

   **Answers will vary:** I will still choose the fresh fruit to make my jelly in the winter because they are the top sellers. I can increase the price slightly to recover some of the cost. I want it to continue to be a top seller because of the fresh taste. I will choose the frozen alternative during the winter months. They are cheaper and I won't lose money. It is only during the winter will I use the alternative and I will risk losing sales for this small amount of time because I would be saving so much money going with frozen vs. fresh fruit.

4.) When comparing two items, the unit must be the same. What is the definition of unit price in this scenario?

   **The unit price is how much something costs per 1 pound in this example.**
Guiding Questions
What do they notice about the market values of each fruit in one season?
How does the market value change from each season?

Students may share how market value affects their decisions according to the Market Value Worksheet.

Assessment:

1. Manuel is a furniture designer. He is making a chair. Select the capital goods he needs from his workshop in order to make the chair. Remember that capital goods are NOT used up when making goods and services.
   Possible answers: Ruler, hammer, saw, workbench, light, scissors, and paintbrush.

2. Your school is getting new uniforms.
   a. What goods will be used to make your uniforms? (Cloth, thread, needles, buttons, zippers)
   b. What services will be used? (Designing the uniforms, transporting the uniforms, selling the uniforms)
   c. How will these goods be produced? (Cloth factories, needle manufacturers, zipper companies)
   d. Who will perform the services? (A designer, a seamstress, a truck driver, a sales representative)
   e. Who will consume the uniforms? (The parents and students at the school will consume the uniforms)

3. Read the table with the market values of several different wholesale fruits. Compare the prices of the different fruits.

<table>
<thead>
<tr>
<th>Wholesale Fruit</th>
<th>Market Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apples</td>
<td>$43.75</td>
</tr>
<tr>
<td>Raspberries</td>
<td>$32.94</td>
</tr>
<tr>
<td>Pineapple</td>
<td>$65.71</td>
</tr>
</tbody>
</table>

a. Select which fruit has the highest value. (Pineapples)
   b. How do you know this fruit’s value is more than the other fruits in the table? (Pineapples have the highest price, and therefore the highest value.)
   c. Predict what would happen if there was a tsunami in the Hawaiian Islands, the USA’s top producer of pineapple. How would this affect the market value of pineapple? (The price of pineapples would go up because the tsunami would cause a decrease in the supply of pineapples.)

Analyzing

Objectives:
Compare different ways resources are used to buy and consume goods and services.
Show examples of how technology advances have improved goods and services as well as improved the ways goods are produced and services are provided.

Exploration:

A. Acquiring Land
Split class into a few small groups for the following activity: There is a vacant lot in your neighborhood that the city council is asking your community leaders to develop. The community group has narrowed the options down to 1) a park, 2) shopping mall, 3) library.

Why can’t the community build all three choices for land use? **The community cannot build a park, school, and library in the same city block because the land is scarce.** The want for goods and services exceed the resources, therefore a choice must be made.

Make a cost/benefit analysis chart to show the pros and cons for one of the alternatives for the land use.

<table>
<thead>
<tr>
<th>Alternatives</th>
<th>Costs</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mall</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Give each student Guiding Questions to help them with the cost benefit chart.

**Guiding Questions**

Building a park, mall or library.

1. List the goods and services to build and maintain the park, shopping mall or library.

   Consider what needs to be built with tools and other resources (**Capital Resources**).
   
   Park:
   
   Mall:
   
   Library:

   Consider who and what you need to maintain the park, mall or library (**Human Resources**).
   
   Park:
   
   Mall:
   
   Library:

2. Have students categorize the goods and services needed to build and maintain their farm, home, or shop using the following resources table template.

<table>
<thead>
<tr>
<th>RESOURCES</th>
<th>Human Resources</th>
<th>Capital Resources</th>
<th>Natural Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mall</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Does the mall, park, or library produce goods and service that community consumes? What are they?
After listing the Pro’s and Con’s of each alternative, they will make choice which alternative has more benefits. Students should see that the resources they use can produce goods and services they and others can consume.

B. Improving Goods and Services

Goods
Cars
Buses
Telephone

Services
Grocery shopping
Watching a movie
Health care

Select a good or service from the list above. Make one advertisement for this good or service for people who lived 100 years ago and a second advertisement for people in present time. On the second advertisement, label and explain how at least 5 technological changes throughout history have made this product much easier or more convenient for people to use as compared to what they would be using during an earlier time period. Possible advertisements: will vary on the choice they make.

Guiding questions for advertisement:
* Pictures of how the good or service has changed
  - Show multiple representations of how the good/service has changed over time

* Description of the good or service
  - What is the good or service used for?
  - Has it increased in use over time? Does it have more and different uses?
  - What kind of technology was added to or changed your good or service over time?

* Description on how the good or service has changed
  - How did the shape changed? Does this make the use easier?
  - How has the technology changed it’s use?

Assessments:

1. Your family has been given an acre of land outside of your city from your long lost uncle who past away. Your family must decide what to build or how to use the acre of land. Compare and contrast the pros and cons for 3 different alternatives in the following table.

<table>
<thead>
<tr>
<th>Alternatives for land use</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>farmland</td>
<td>earn income from selling produce or animals, be your own boss, help the environment</td>
<td>cost of purchasing machinery, long labor hours (or cost of hiring human resources), finding customers</td>
</tr>
<tr>
<td>house</td>
<td>provides a place for your family to live, be your own landlord, valuable family asset</td>
<td>cost of building the home, cost of paying taxes, cost of home maintenance, does not generate a profit</td>
</tr>
</tbody>
</table>
Consider what goods and services will be used for the 3 different alternatives. Consider how much each different alternative will cost your family. Also, consider the resources that will be needed or produced by the land. Report how you will use the land, and explain your choice. **Students should include a response that cites one of or all of the following: goods/services, costs, or resources produced.**

2. Examine this general timeline of the progression of music:  
http://image.freecy.tk/images/254_Music_Timeline_v01.jpg

For each technological advancement write one benefit to the consumer:

<table>
<thead>
<tr>
<th>Advancement</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phonograph</td>
<td>People could listen to music in the privacy of their own home.</td>
</tr>
<tr>
<td>Cassette Tape</td>
<td>This device is smaller. People could also record music on tapes.</td>
</tr>
<tr>
<td>Compact Discs</td>
<td>Compact discs allowed listener to skip from track to track.</td>
</tr>
<tr>
<td>Ipod</td>
<td>Smaller and lighter than a compact disc. People can store many songs on an Ipod and take these songs to different locations.</td>
</tr>
<tr>
<td>Streaming Websites (YouTube)</td>
<td>People can listen to songs for free online.</td>
</tr>
</tbody>
</table>

**Creating**

**Objectives:**
Students explain that not all wants of goods and services can be satisfied because peoples’ wants exceed the quantity of goods and services that can be produced using all available resources. Students prioritize consumption of resources when there is a scarcity of goods and services.

**Exploration:**
Remind students that not all wants and needs of goods and services can be satisfied. Every person’s wants and needs exceed the goods and services available or able to be produced. This is a scarcity problem.
Explain to the students that the city council is meeting to discuss the upcoming budget. The top three projects that have been brought to the table are as follows:

* Purchasing New Police Cars
* Providing Funds to Hire New Nurses at City Hospitals
* Funding Schools to Buy New Computers for Classrooms

While these three projects are needed, there is only enough money to fund one project. There is scarcity of money. Students will conduct research for each project. Because schools are in need of more computers to enhance learning, explain to students that they will try to convince the city council to fund schools to buy new computers for classrooms.

Before trying to convince the city council for the money resource, students need to research the needs of all three projects in order to convince the council that the computers for schools are the GREATEST NEED.

Students will conduct research in groups for one of the three projects in the following way:

**Police Cars**
Students can research online or through recent archived newspapers. They need to find at least 3 news articles showing lack of police presence in neighborhood or police cars unable to catch criminals in high speed chases. Students need to summarize each article. Students can visit the local police station and let personnel know that they are doing research about the need for new police cars. Some things they can find out is if the police have received new police cars in the past 5 years and how has this helped them enforcing the law? Would they benefit from more new police cars? How will they benefit?

**Nurses**
Students can find out if local hospitals and nursing homes are having a nurse shortage, This can be done by visiting at least 1 local hospital and 1 local nursing home. Try to call ahead when visiting and ask for the administrator or human resources. Have students explain that they are conducting research and want to find out about the need for nurses in these facilities and if more funding is needed for this. Some things they can find out is the patient to nurse ratio and what hours do the nurses work.

**Computers**
Students can survey teachers in the school about how many computer are in the classrooms, how many computers work, and how often they use them or would use them. Students can include in their surveys questions about how teachers would utilize computers each day to enhance student learning if they were to receive more funding for computer. Students may also survey another school to include in their survey to convince the city council for more computer funding.

****If students do not have access to research (articles, visiting facilities, etc.) teacher will provide resources****

Have students brainstorm questions to ask the police officers (if they choose to do articles AND interviewing), nursing administrator/human resources, and teachers. The questions have to be specific to
the scarcity of funding and why the police would need new cars, the hospitals would need more nurses, and schools needing more computers.

After conducting research for each project students will write about their understanding about scarcity and why peoples’ wants and needs of goods and services cannot be satisfied. They can connect this with the research they have done and in other aspects in their lives.

Students must compile and present the information in an organized manner.

**Assessments:**

Students will complete the assessment after compiling their research on all three projects. They will write a letter to the city council to persuade them to fund one of the three projects. They will need to refer to their research (interviews, articles, and surveys) to show evidence of knowledge of scarcity and why goods and services are needed. They will need to show that because all wants and needs cannot be satisfied, a choice needs to be made. How will their choice improve the community? How will more police, more nurses, or more computers effect the community in the short term and long term?

**Possible response, students state that computers are scarce in school classrooms. Possible justifications include:** 1) computers will help students to develop a strong background in technology, which could lead to better jobs and less crime (negating the use of more police vehicles), 2) computers in the schools help students develop an interest in science and student volunteers could work in hospitals as assistants to current nurses and doctors.

| Technology Extensions | 1. [http://library.thinkquest.org/3901/amanda/gsfarm.htm](http://library.thinkquest.org/3901/amanda/gsfarm.htm)  
http://www.mcwdn.org/ECONOMICS/GoodService.html  
These quizzes can reinforce the vocabulary and concepts of goods and services.  
|  
| 2. Read the story Aladdin’s Magic Lamp aloud to the students. Ask the students how this rags to riches story relates to goods and services. Aladdin wants the lamp and the magic it contains so that he can have all the goods and services he desires. Students give examples from the story of the goods and services that Aladdin received explain why they chose the designation. Students write the goods and services on the T Chart.  
Teacher supplies- Book - Aladdin’s Lamp or Interactive white board or computers, [http://storynory.com/2006/11/19/aladdins-lamp/](http://storynory.com/2006/11/19/aladdins-lamp/)  
Rabbit Ears CD story read by John Hurt, CD player  
Students-pencil, t-chart  
|  
| Home/School Connections | 1. Brainstorm with your family. Devise a list of goods and services used to run the household.  
This activity can support or be an extension of language arts character study. The students may determine the goods and services that they use and assign a value (monetary or aesthetic). To explore the idea of greed and the value of goods and services, students can identify the role of magic and the traits involved with the story’s characters. Example - What traits were exemplified by the magician? What are the examples  

of things he did or said that show that trait (actions and words)?

3. Essential Question:
What natural, human, and capital resources are needed to make a cupcake?
Natural:
Human:
Capital:

1. Where does flour and sugar come from? (wheat, milled at the granary: sugar cane, refinery)
2. Who harvests the wheat and sugar? (farmer)
3. What tools will they use? (thresher, wheelbarrow, tractor)
4. How does the farmer deliver the goods to the store? (truck)
5. Who is going to make the cupcakes? (baker)

Read the examples from the book *Transformed: How everyday things are made*, by Bill Slavin. (i.e. baseball, crayons, ketchup, blue jeans, glass)

| Diversification (Accommodations) | Use pictures to illustrate the good or service examples for visual learners. Use a visual when introducing the terms goods and services with the hand motions. |