



MARKETING SALES AND SERVICE

PATHWAY: Marketing

COURSE: International Business & Marketing

UNIT 3: International Trade



INTRODUCTION

Annotation:

Students will participate in a simulation to see for themselves the benefits of trade. They will understand that there are no losers in voluntary trade.

Grade(s):

X	9 th
X	10 th
X	11 th
X	12 th

Time:

1 – 50 minute period

Author:

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Additional Author(s):

Memory Reed

Students with Disabilities:

For students with disabilities, the instructor should refer to the student's IEP to be sure that the accommodations specified are being provided. Instructors should also familiarize themselves with the provisions of Behavior Intervention Plans that may be part of a student's IEP. Frequent consultation with a student's special education instructor will be beneficial in providing appropriate differentiation.



FOCUS STANDARDS

GPS Focus Standards:

MKT-MP-5 Acquire foundational knowledge of international business and marketing concepts to understand the scope and impact on the economy.

MKT-IBM-2. Students will analyze various factors and influences affecting the international business environment.

GPS Academic Standards:

SSEF4. The student will compare and contrast different economic systems and explain how they answer the three basic economic questions of what to produce, how to produce, and for whom to produce.

National / Local Standards / Industry / ISTE:

NBEA 2: The student will understand how geographic, cultural, political, legal, historical, and economic factors influence international trade.



UNDERSTANDINGS & GOALS

Enduring Understandings:

- Students will understand and explain why nations engage in international trade.

Essential Questions:

- Why would a country trade with another country and not just be self-sufficient?
- What are the benefits or trade in international business marketing?

Knowledge from this Unit:

- Students will describe the benefits of trade.

Skills from this Unit:



ASSESSMENT(S)

Assessment Method Type:

- ☐ Pre-test
- ☐ Objective assessment - multiple-choice, true- false, etc.
 - ☐ Quizzes/Tests
 - ☐ Unit test
- ☐ Group project
- ☐ Individual project
- ☐ Self-assessment - May include practice quizzes, games, simulations, checklists, etc.
 - ☐ Self-check rubrics
 - ☐ Self-check during writing/planning process
 - ☐ Journal reflections on concepts, personal experiences and impact on one's life
 - ☐ Reflect on evaluations of work from teachers, business partners, and competition judges
 - ☐ Academic prompts
 - ☐ Practice quizzes/tests
- ☐ Subjective assessment/Informal observations
 - ☐ Essay tests
 - ☐ Observe students working with partners
 - ☐ Observe students role playing
- ☐ Peer-assessment
 - ☐ Peer editing & commentary of products/projects/presentations using rubrics
 - ☐ Peer editing and/or critiquing
- ☐ Dialogue and Discussion
 - ☐ Student/teacher conferences
 - ☐ Partner and small group discussions
 - ☐ Whole group discussions
 - ☐ Interaction with/feedback from community members/speakers and business partners
- ☐ Constructed Responses
 - ☐ Chart good reading/writing/listening/speaking habits
 - ☐ Application of skills to real-life situations/scenarios
- ☒ Post-test

Assessment(s) Title:

International Trade Quiz

Assessment(s) Description/Directions:

After completing the lesson, students will take a short quiz on the concepts. You may wish to review the quiz beforehand and stress these terms and concepts after each round. The quiz follows at the end of this lesson—print the lesson, cut off quiz and copy for students.

Attachments for Assessment(s):

Quiz



LEARNING EXPERIENCES

Sequence of Instruction

1. Identify the Standards. Standards should be posted in the classroom for each lesson.
2. Review Essential Questions.
3. Identify and review the unit vocabulary.

Students will participate in a trading simulation and will discover the benefits of trade. In a class discussion, students will explain why both parties benefit from trading.

First, discuss the following situation with the class: Richard, a teenager goes to McDonald's and purchases a Big Mac Meal. He pays \$4.85 for the food. Point out that this purchase at McDonald's is an example of an exchange or a trade because \$4.85 was traded for food. Who gained and who lost in this situation?

Discuss with the class—one way of looking at this is that both people gained something and lost or gave up something. The student gave up \$4.85 of purchasing power but gained a meal. McDonald's gave up a hamburger, fries and a drink but gained \$4.85 in purchasing power.

Also, both parties had net gains. Each party likely feel better off because each now has something they value more than what they gave up. For each party, the gains were greater than the losses. If this weren't true, Richard would have kept his money and McDonald's would have kept their food.

Explain to students that today they are going to participate in a trading activity. The purpose is to explore the reasons people, organizations and nation's trade. Ask the class, "Why do people trade?" Put student's answers on the board. Accept all answers.

Next, distribute the bags to the students. Assure students that they may keep whichever items they still have at the end of the game. While still seated, ask the students to privately examine the contents of their bags. They are not to show or tell anyone what is in their bag.

Round 1

Divide the class in half. Tell students that they will now have the opportunity to trade with one another. Explain that they may trade any or all of the contents of their bags, but they may trade only with people on their side of the room. No one is required to participate in this trade. Allow 5 to 10 minutes for students to complete their trades.

At the end of Round 1, call students to be seated and ask the following questions:

1. How many students made a trade? (ANSWERS WILL VARY)
2. Ask students who made at least one trade to stand up. Ask why they decided to trade. ANSWERS WILL VARY BUT SHOULD POINT TO THE IDEA THAT THE TRADES MADE THEM BETTER OFF BECAUSE THEY PREFERRED WHAT THEY GOT TO WHAT THEY GAVE UP.
3. Ask for a show of hands: how many were better off as a result of trading?
BASICALLY, EVERYONE WHO TRADED SHOULD BE BETTER OFF. SINCE TRADING WAS VOLUNTARY, IF THEY DID NOT EXPECT TO BE BETTER OFF, THEN THEY SHOULD NOT HAVE TRADED. VOLUNTARY TRADE MAKES BOTH PARTIES BETTER OFF. MAKE SURE THIS POINT IS CLEAR BEFORE MOVING ON.

4. If anyone who traded said that they were not better off, ask them to explain why. SOMETIMES STUDENTS WILL SAY THEY THOUGHT THEY WERE TRADING FOR SOMETHING BETTER THAN WHAT THEY GOT. EXPLAIN THAT THIS IS A PROBLEM OF POOR INFORMATION BUT NOT A PROBLEM OF TRADING PER SE. SOMETIMES STUDENTS WILL SAY THEY FELT SORRY FOR SOMEONE WHO DIDN'T HAVE AS MUCH AS THEY DID, SO THEY MADE A TRADE THAT CAUSED THEM TO BE WORSE OFF.
5. Ask students why some of them decided not to trade. RESPONSES WILL VARY—SOME STUDENTS MAY SAY THEY WERE HAPPY WITH WHAT THEY HAD OR DIDN'T WANT WHAT OTHERS WERE WILLING TO TRADE. THIS DEMONSTRATES THAT VOLUNTARY EXCHANGES STOP WHEN BOTH SIDES DO NOT EXPECT TO GAIN. POINT OUT THAT EVERYONE WHO DECIDED TO TRADE WAS BETTER OFF TO SOME EXTENT OR THEY WOULDN'T HAVE VOLUNTARILY TRADED.
6. Ask if anyone traded more than once—ask why.
7. Were any restrictions placed on trades? YES, STUDENTS COULD ONLY TRADE WITH THE PEOPLE ON THEIR SIDE OF THE ROOM.
8. Ask how this trade restriction affected trading decisions. SOME STUDENTS WILL SAY THAT THEY WANTED TO TYRADE WITH SOMEONE IN THE OTHER GROUP. POINT OUT THAT IF ANYONE VIOLATED THE RULE THAT THEY COULD TRADE ONLY WITH PEOPLE ON ONE SIDE OF THE ROOM, IT POINTS OUT A PROBLEM WITH TRADE BARRIERS. WHEN FORCES SUCH AS TRADE BARRIERS INTERFERE WITH PEOPLE'S INCENTIVES, THERE ARE INCENTIVES TO VIOLATE THE RULES.

Round 2

Announce that you will allow one more round of trading. This time there will be no restrictions: students may trade any item with any student in the room. Allow 5 to 10 minutes.

Next, call students back to their seats and ask the following questions:

1. How many students made a trade in this round?—ANSWERS WILL VARY BUT MORE STUDENTS WILL HAVE MADE TRADES SINCE THERE WERE NO RESTRICTIONS.
2. How did the elimination of trade restrictions affect trading? AS TRADE WAS OPENED UP, WITH NO BARRIERS, MORE STUDENTS WERE ABLE TO FIND BENEFICIAL EXCHANGES. THIS DEMONSTRATES THE GAINS FROM FREE TRADE COMPARED WITH RESTRICTED TRADE.
3. Did anyone trade more than one time? Why did you trade? Of those of you who traded how many of you are better off as a result of the trades? ANSWERS WILL VARY
4. Did any very poor students trade with any very rich students? (This is based on contents of the bags). PROBABLY YES, THIS DEMONSTRATES THAT PEOPLE IN WEALTHY NATIONS AREN'T THE ONLY ONES WHO BENEFIT FROM TRADE AND THAT MUTUALLY BENEFICIAL TRADE CAN TAKE PLACE BETWEEN WEALTHY AND POOR COUNTRIES.
4. Was everyone happy with his or her trades? TRADING DOESN'T GUARANTEE HAPPINESS—WE JUST MAINTAIN THAT TRADE WILL CONTINUE IF PEOPLE ARE BETTER OFF AFTER THE TRADE THAN IF THEY HADN'T TRADED AT ALL.
6. What conclusions can you draw from this simulation? THE GAINS FROM TRADE AND THE CONCEPT THAT BOTH SIDES BENEFIT AND NO ONE LOSES.

Attachments for Learning Experiences: Please list.

Quiz

Notes & Reflections:

Before class distribute the goods unequally in the bags, for instance, put only candy in some bags but give several items including candy to others. Stuff some bags with only one or two less-popular items and make a few bags with an abundance of several different items. Try to create obvious contrasts among the contents of the bags.



CULMINATING PERFORMANCE TASK

Culminating Unit Performance Task Title:

Culminating Unit Performance Task Description/Directions/Differentiated Instruction:

Attachments for Culminating Performance Task:



UNIT RESOURCES

Web Resources:

Attachment(s):

Materials & Equipment:

Brown paper lunch bags (one for each student), large numbers of small items that are easy to exchange such as pencils, library passes, miniature candy bars, pens, packs of sticky notes, etc.

What 21st Century Technology was used in this unit:

<input type="checkbox"/>	Slide Show Software	<input type="checkbox"/>	Graphing Software	<input type="checkbox"/>	Audio File(s)
<input type="checkbox"/>	Interactive Whiteboard	<input type="checkbox"/>	Calculator	<input type="checkbox"/>	Graphic Organizer
<input type="checkbox"/>	Student Response System	<input type="checkbox"/>	Desktop Publishing	<input type="checkbox"/>	Image File(s)
<input type="checkbox"/>	Web Design Software	<input type="checkbox"/>	Blog	<input type="checkbox"/>	Video
<input type="checkbox"/>	Animation Software	<input type="checkbox"/>	Wiki	<input type="checkbox"/>	Electronic Game or Puzzle Maker
<input type="checkbox"/>	Email	<input type="checkbox"/>	Website		
