

Lesson Plan – Scarcity and Private Enterprise

Course Title: Marketing

Session Title: Scarcity and Private Enterprise

Performance Objective:

- Upon completion of this lesson, the student will explain important economic concepts for the private enterprise system.

Specific Objectives:

- Students will identify the basic economic problem.
- Students will describe how America' private enterprise economy works.

Preparation

TEKS Correlations:

This lesson, as published, correlates to the following TEKS. Any changes/alterations to the activities may result in the elimination of any or all of the TEKS listed.

- **124.32(c)(3)(A)**
...explain the marketing concept.
- **124.32(c)(15)(A)**
...describe characteristics of a private enterprise system.
- **124.32(c)(15)(B)**
...explain advantages and disadvantages of private enterprise.
- **124.33(c)(15)(C)**
...describe the role profit plays in a market economy.
- **124.33(c)(15)(D)**
...list examples of competitive business situations.
- **124.33(c)(15)(E)**
...identify examples of competitive business situations as price or non-price competition.
- **124.33(c)(14)(A)**
...compare and contrast how economies answer the basic economic questions.
- **124.33(c)(14)(B)**
...explain why most economies are mixed

Interdisciplinary Correlations:

English:

110.42(b)(6)(A) – Vocabulary Development

...expand vocabulary through wide reading, listening, and discussing.

110.42(b)(6)(B) – Vocabulary Development

... rely on context to determine meanings of words and phrases such as figurative language, idioms, multiple meaning words, and technical vocabulary.

110.42(b)(7)(F) – Reading/comprehension

...identify main ideas and their supporting details.

110.42(b)(7)(G) – Reading/comprehension

...summarize texts.

110.42(b)(7)(J) – Reading/comprehension

...read silently with comprehension for a sustained period of time.

118.2(c)(5)(A) - Economics

...explain why scarcity and choice are basic problems of economics;

118.2(c)(5)(B)

...interpret a production-possibilities curve and explain the concepts of opportunity costs and scarcity.

...analyze how financial institutions affect households and businesses

Accommodations for Learning Differences:

For ED, ESL, LD, Special Ed, at Risk, 504, etc. allow the following:

1. Allow students less than best responses to vocabulary and assignment sheets.
2. Allow students more errors on research and PowerPoint presentations.

Teacher Preparation:

References:

1. Marketing, Third Edition, James L. Burrow, Southwestern Cengage Learning
2. Marketing Essentials, McGraw Hill
3. USA Today and local newspapers

Instructional Aids:

1. Economics: Scarcity and Private Enterprise PowerPoint Presentation
2. Independent Practice Activities Student Directions
3. Independent Practice Activity #1 Comparing Economic Systems Rubric
4. Independent Practice Activity #3 Conducting Business in China Rubric
5. Extension Activities Student Directions
6. Extension Activity #1 Conducting International Business Rubric
7. Extension Activity #2 The Success of “Steve and Barry’s” Rubric
8. Internet

Materials Needed:

1. Construction paper
2. Scissors and glue
3. Poster Board
4. Current newspapers and magazines

Equipment Needed:

1. Computers for students to complete projects
2. Projector for PowerPoint presentation
3. White or chalk board

Learner Preparation:

1. Ask students to write their definition of “scarcity.” Then ask what their plan of action is when something they want is scarce.
2. Ask students how they would determine the price for a popular electronic device

that they have created which is highly demanded by college and high school students. Ask students to explain what will happen if they price the product too high and what will happen if they price the product too low. This will open a good discussion about supply, demand, prices, scarcity, and competition.

Lesson Plan

Introduction (LSI Quadrant I):

1. Survey students to determine how many have a paying job. Then ask how many of the students have enough money to meet all of their wants. Scarcity is a fact of life for individuals and countries.
2. Write “supply” and “demand” on the board. Then write different products on the board and ask students what happens to price when supply fluctuates and demand remains constant. Examples of products that are good for discussion include gas, houses, cars, and food.





Important Terms for this Lesson:

- scarcity-unlimited wants and needs, combined with limited resources
- controlled economy-government answers the three economic questions, owns and controls important resources and makes decisions about what will be produced/consumed
- free economy-market economy where resources are owned by individuals rather than the government
- mixed economy-some goods and services are provided by the government and some by private enterprise
- private enterprise-based on independent decisions by businesses and consumers
- profit motive-use of resources to obtain the greatest profit
- value-individual view of the worth of a product or service
- demand-relationship between the quantity of a product consumers are willing and able to purchase and the price
- supply-relationship between the quantity of a product that producers are willing and able to provide and the price


Outline

Outline (LSI Quadrant II):










Instructors can use the PowerPoint presentation, slides, handouts, current events, the Internet, and note pages in conjunction with the following outline.

MI	Outline	Notes to Instructor
	<p>I. Economics: Scarcity and Private Enterprise</p> <p>A. Important to understand economics</p> <p>B. Basic Economic Problem (scarcity) – unlimited wants and needs, combined with limited resources</p>	<p>B. Ask students to give examples of when they have experienced scarcity. Then ask students to describe what decisions they made to cope with the scarcity.</p>
 	<p>II. Who Makes the Decisions?</p> <p>A. Controlled economy-government</p> <p>B. Free (market) economy-individuals</p> <p>C. Mixed economy-government and private enterprise</p>	<p>A. Write the three decisions that all economies must make on the board. (What will be produced? How will it be produced? For whom will it be produced?) Then call out countries with different economic systems and ask students to write down who they think will make economic decisions in those countries.</p>
	<p>III. America's Private Enterprise Economy</p> <p>A. Based on independent decisions by businesses and consumers with only a limited government role regulating those relationships</p> <p>B. Profit motive-the use of resources to obtain the greatest profit</p> <p>C. Value-individual view of the worth of a product or service</p> <p>D. Government stays out of exchange activities between producers and</p>	<p>A. Ask a student to volunteer and write the five characteristics of the free enterprise on the board. Then ask students to explain why these concepts are good.</p>

	<p>consumers</p> <p>E. Consumers</p> <ol style="list-style-type: none"> 1. demand-relationship between the quantity of a product consumers are willing and able to purchase and the price 2. consumers gather information about products and services to select those that satisfy their needs <p>F. Producers</p> <ol style="list-style-type: none"> 1. supply-relationship between the quantity of a product that producers are willing and able to provide and the price 2. gather information about the types of products and services consumers want so they can provide what will most likely be purchased <p>G. Government-enacts laws and regulations to help consumers</p>	
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	<p>IV. Economic Forces Can Impact the Market Economy</p> <p>A. Rising gas prices'</p> <p>B. Public Services-police, fire department, roads, education</p>	<p>A. Ask students how rising gas prices, entertainment prices, and food prices have affected their finances. What decisions or changes in spending have they made due to rising prices?</p>
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Copy and paste Multiple Intelligences Graphic in appropriate place in left column.

								
Verbal Linguistic	Logical Mathematical	Visual Spatial	Musical Rhythmic	Bodily Kinesthetic	Intra- personal	Inter- personal	Naturalist	Existentialist

Application

Guided Practice (LSI Quadrant III):

1. Give each student an equal number of play coins, buttons, etc. Then have an auction of healthy food items in class to emphasize the concept of supply and demand. This also is a good time to discuss “scarcity.”
2. Survey the class to determine how many students have paying jobs. Then ask students what is taken from their gross pay. Explain the social security and Medicaid are for personal use; however, income taxes are used for public projects such as roads, law enforcement, fire department, etc. Then ask students if they would be willing to pay a flat fee every year for those public services instead of having the money taken from each of their pay checks.
3. Ask students to list products/services that they regularly purchase and list the price that they are willing to pay for each item. Then ask students if prices have increased significantly during the past year and to explain the increase/decrease in prices.

Independent Practice (LSI Quadrant III):

1. Using Independent Practice Activity #1 “Making a Poster: Comparing Economic Systems” ask students to design a poster that illustrates how the free market, mixed, and controlled economies answer the three economic questions: What goods and services will be produced? How will they be produced: For whom will they be produced?
2. Ask students to list examples of inventions that have reaped large sums of money due to consumer demand. Also ask students to explain how the profit motive is involved when inventing/producing products.
3. Using Independent Practice Activity #3, tell students that they work for a clothing manufacturer that would like to conduct business in China. Students must explore marketing opportunities in China and possible barriers that their company will face. Students must also research the form of economy in China and how it will affect business. Students will present their information in the form of a PowerPoint Presentation.

Summary

Review (LSI Quadrants I and IV):

Q: What is scarcity?

A: Scarcity involves unlimited wants and needs, combined with limited resources

Q: Who determines what goods and services will be produced in the free, mixed, and controlled economies?

A: Individuals are decision makers in the free economy, individuals and the government make decisions in the mixed economy, and the government makes decisions in the controlled economy.

Q: At When does the government get involved in exchange relationships in the private enterprise economy?

A: The government steps in only when some party or parties are deemed to have an unfair advantage or disadvantage or when it is trying to discourage or prevent some activity that is viewed as harmful to society.

Evaluation

Informal Assessment (LSI Quadrant III):

1. Instructor will observe students during Independent Practice assignments, class discussion, class participation, and PowerPoint discussions.
2. Instructor will assist individual students as needed.

Formal Assessment (LSI Quadrant III, IV):

1. Use Independent Assignment Sheet #1 Rubric to evaluate “Making a Poster: Comparing Economic Systems” as students determine how the three basic economic questions are answered in different economies.
2. Independent Activity #2 will be evaluated by the instructor for class participation.
3. Use Independent Assignment Sheet #3 Rubric to evaluate “Conducting Business in China” as students research the pros and cons of marketing opportunities of a clothing manufacturer in China.
4. Use Extension Activity #1 Rubric to evaluate “Conducting International Business” as teams research history and present conditions in different countries economies.
5. Use Extension Activity #2 Rubric to evaluate the success of Steve and Barry’s.

Extension/Enrichment (LSI Quadrant IV):

1. Assign students different countries to study, making sure that there is a good representative sampling of controlled, free, and mixed economies. Students should find information on the history and present condition of the country’s economy. Then students should explain how businesses would operate in the different types of economies. Students will present their findings to the class in a form of a PowerPoint Presentation.
2. Ask students to research “Steve and Barry’s.” Students must describe the business, explain the economic success, and use the economic concepts learned in this lesson to describe the company’s success.

Independent Practice Activity #1—Independent Assignment

Directions: Design a poster that illustrates how the free market, mixed, and controlled economies answers the three economic questions: What goods and services will be produced? How will they be produced: For whom will they be produced?

Independent Practice Activity #2—Independent Assignment

Directions: List examples of inventions that have reaped large sums of money due to consumer demand. Explain how the profit motive is involved when inventing/producing products.

Independent Practice Activity #3—Independent Assignment

Directions: You work for a clothing manufacturer that would like to conduct business in China. Conduct research to determine marketing opportunities in China and possible barriers that your company will face. Research the form of economy in China and how it will affect business. You will present this information in the form of a PowerPoint Presentation.

Making A Poster : Comparing Economic Systems

Independent Assignment #1 Rubric

Student Name: _____

CATEGORY	20	15	10	5
Graphics - Originality	Several of the graphics used on the poster reflect a exceptional degree of student creativity in their creation and/or display.	One or two of the graphics used on the poster reflect student creativity in their creation and/or display.	The graphics are made by the student, but are based on the designs or ideas of others.	No graphics made by the student are included.
Required Elements	The poster includes all required elements as well as additional information.	All required elements are included on the poster.	All but 1 of the required elements are included on the poster.	Several required elements were missing.
Content - Accuracy	At least 7 accurate facts are displayed on the poster.	5-6 accurate facts are displayed on the poster.	3-4 accurate facts are displayed on the poster.	Less than 3 accurate facts are displayed on the poster.
Attractiveness	The poster is exceptionally attractive in terms of design, layout, and neatness.	The poster is attractive in terms of design, layout and neatness.	The poster is acceptably attractive though it may be a bit messy.	The poster is distractingly messy or very poorly designed. It is not attractive.
Knowledge Gained	Student can accurately answer all questions related to facts in the poster and processes used to create the poster.	Student can accurately answer most questions related to facts in the poster and processes used to create the poster.	Student can accurately answer about 75% of questions related to facts in the poster and processes used to create the poster.	Student appears to have insufficient knowledge about the facts or processes used in the poster.

Total Points _____

Maximum 100 Points

Conducting Business in China

Independent Practice Activity #3 Rubric

Student Name: _____

CATEGORY	20	15	10	5
Preparedness	Student is completely prepared and has obviously rehearsed.	Student seems pretty prepared but might have needed a couple more rehearsals.	The student is somewhat prepared, but it is clear that rehearsal was lacking.	Student does not seem at all prepared to present.
Content	Shows a full understanding of the content area.	Shows a good understanding of the content area.	Shows a decent understanding of parts of the content area.	Does not seem to understand the content very well.
Visual Aide(s)	Student uses visual aide(s) that show considerable work/creativity and makes the presentation better.	Student uses visual aide(s) that shows considerable work/creativity which supplements the presentation.	Student uses visual aide that shows some work and limited creativity.	The student uses no visual aide OR the visual aide chosen detracts from or is a substitute for the presentation.
Research	Information indicates extensive research about China.	Information includes evidence of research about China.	Information lacks evidence of research about China.	Information is based upon assumptions about China.
Effective Use of Class Time	Effectively utilizes 100% of class time for completing project.	Effectively utilizes 90% of class time for completing project.	Effectively utilizes 80% of class time for completing project.	Chooses not to use class time effectively for completing project (<80%).

Total Points _____

Maximum 100 Points

Extension Activity #1—Team of Two Students

Directions: Your team must research the country assigned by your teacher. Each team must find information on the history and present condition of the country's economy. Your team must explain how businesses would operate in the different types of economies. You will present their findings to the class in a form of a PowerPoint presentation.

Extension Activity #2—Team of Two Students

Directions: Research "Steve and Barry's." Prepare a report about the success of "Steve and Barry's." The report must describe the business, explain the economic success, and use the economic concepts learned in this lesson to describe the company's success.

Conducting International Business

Extension Activity #1 Rubric

Student Name: _____

CATEGORY	20	15	10	5
Preparedness	Student is completely prepared and has obviously rehearsed.	Student seems pretty prepared but might have needed a couple more rehearsals.	The student is somewhat prepared, but it is clear that rehearsal was lacking.	Student does not seem at all prepared to present.
Content	Shows a full understanding of the content area.	Shows a good understanding of the content area.	Shows a decent understanding of parts of the content area.	Does not seem to understand the content very well.
Visual Aide(s)	Student uses visual aide(s) that show considerable work/creativity and makes the presentation better.	Student uses visual aide(s) that shows considerable work/creativity which supplements the presentation.	Student uses visual aide that shows some work and limited creativity.	The student uses no visual aide OR the visual aide chosen detracts from or is a substitute for the presentation.
Research	Information indicates extensive research about China.	Information includes evidence of research about China.	Information lacks evidence of research about China.	Information is based upon assumptions about China.
Effective Use of Class Time	Effectively utilizes 100% of class time for completing project.	Effectively utilizes 90% of class time for completing project.	Effectively utilizes 80% of class time for completing project.	Chooses not to use class time effectively for completing project (<80%).

Total Points _____
 Maximum 100 Points

Research Report : The Success of "Steve and Barry's"

Extension Activity 2 Rubric

Student Name: _____

CATEGORY	20	15	10	5
Organization	Information is very organized with well-constructed paragraphs and subheadings.	Information is organized with well-constructed paragraphs.	Information is organized, but paragraphs are not well-constructed.	The information appears to be disorganized. 8)
Quality of Information	Information clearly relates to the main topic. It includes several supporting details and/or examples.	Information clearly relates to the main topic. It provides 1-2 supporting details and/or examples.	Information clearly relates to the main topic. No details and/or examples are given.	Information has little or nothing to do with the main topic.
Amount of Information	All topics are addressed and all questions answered with at least 2 sentences about each.	All topics are addressed and most questions answered with at least 2 sentences about each.	All topics are addressed, and most questions answered with 1 sentence about each.	One or more topics were not addressed.
Sources	All sources (information and graphics) are accurately documented in the desired format.	All sources (information and graphics) are accurately documented, but a few are not in the desired format.	All sources (information and graphics) are accurately documented, but many are not in the desired format.	Some sources are not accurately documented.
Mechanics	No grammatical, spelling or punctuation errors.	Almost no grammatical, spelling or punctuation errors	A few grammatical spelling, or punctuation errors.	Many grammatical, spelling, or punctuation errors.

Total Points _____
 Maximum 100 Points