

Gifted Endorsement Class

Grade Level: Seniors

Subject: Social Studies – Economics

Type of Lesson: Mystery Lesson

Topic of Unit: (YOUR) Interdependence in a National and Global Economy

Topic of Lesson: The Circular Flow of Productive Resources, Goods and Services, and Money Payments

Process:

AKS 25: Describe how economic models can be used to demonstrate the effects of market forces

AKS 25f: Illustrate the economic relationship among households, businesses, and governments by using a diagram of the circular flow

Purpose of Lesson:

The circular flow model is widely used to illustrate how households and businesses are connected to one another through the factor and product market. This model oftentimes remains a mystery to students, a mystery which this lesson attempts to solve.

The following questions need to be answered while discovering the circular flow model:

1. What are households and business firms in the circular flow model, and how are they connected to one another?
2. What is a product market?
3. What is a factor market?
4. How do the product market and factor market differ from one another?
5. How are households and business firms connected through the product and factor market?
6. How can the connections between households and business firms be illustrated?

This lesson will be opened with a sparking activity (bellwork assignment). Based on detective stories seen on TV or in the movies, or detective stories read, students will be asked to write key words and key phrases that come to their mind describing how the detective(s) solved the problem.

Next, student's ideas will be exchanged and used to explain and describe the purpose of today's lesson. The individual steps of the lesson's procedure listed below will be explained to the students.

Mystery Lesson Procedure:

1. Encounter the problem. Make educated guesses (tentative hypothesis) before you begin.
2. Examine and interpret clues. Make hypothesis.
3. Test hypothesis and revise as needed. Eliminate incorrect hypothesis. Decide which hypothesis has the most evidence to support it.
4. Explain final hypothesis. Use a chart, diagram, or other graphic organizers to illustrate and justify your conclusion.
5. Evaluate the investigation. Did your solution make sense? What did you do well? What could be done better next time?

Students will be provided with the short reading titled "Can This Friendship Be Saved?" (see attachment 1, below). Students are asked to read the story individually, encounter the problem, and make educated guesses how it can be solved. (First Step of Mystery Lesson)

Next students will be divided in groups of four. An envelope, containing clues helpful to solve the dispute, will be handed to one of the group members along with instructions how to proceed while working in groups (see attachments 2 and 3). Within each group students are asked to divide the clues evenly amongst themselves, read them **one at a time**, and try to appropriately group them while going through this procedure. Since neither categories nor grouping criteria are provided, students are asked to think flexibly as they create their own groups. Students should be reminded of implementing their own thoughts regarding connections and possible relations between the terms, phrases, and short paragraphs. (Second Step of Mystery Lesson)

After grouping the terms, students must discuss and eventually revise their previous hypothesis. They will also have to create their own graphic organizer supporting their hypothesis. (Third Step of Mystery Lesson)

Students will now have to present their hypothesis to the class. Class members will be asked to be critical listeners, and compare/contrast their own findings with the ones presented by the group. All the graphic organizers will be posted on the board and later used for comparison and finalization of the circular flow model. (Fourth Step of Mystery Lesson)

In summation of all presentations, the circular flow model will be discussed, and students will have to make their suggestions regarding saving the friendship between Tom and Jerry.

Lastly, students will be asked to evaluate their investigation and thinking process. In a class discussion students will respond to the following questions:

1. How did each group member contribute to the solution of the problem?
2. Did group members have similar hypothesis prior to using the clues?
3. Have the clues been helpful to solve the problem?
4. Which group gave the best presentation? Why?
5. What thinking skills were important while approaching this assignment?

For homework students will be asked to complete activity 4 of lesson 16 from *Focus: High School Economics*, National Council on Economic Education, New York, NY. The same material also offers a reproducible circular flow which can be copied on a transparency in order to debrief the concept and compare and students work on the following day. Additionally, students will have to describe their future role in the circular flow model based on the profession they have chosen for their *Budget Project*. Their description should address the interdependence of their own personal lives and the product and factor markets. This will allow students to make a connection to the overriding theme of the interdependency between them and a national and global economy (see attachment 4).

Justification of learning styles addressed:

Understanding:	Independent reading and interpretation of clues
Mastery:	Grouping of clues and reevaluation of hypothesis
Interpersonal:	Explain and interpreting findings within the groups and later to the class
Self-Expressive:	Writing assignment (homework)

Curry/Samara placement with justification:

This lesson seems to be appropriately located in quadrant 3 of the CSM matrix, but includes also some elements of quadrant 2 of the CSM matrix. Throughout the lesson students have been engaged in grouping and prediction activities mainly addressing the creative thinker. Creating a graphic organizer does rather suit the needs of the visual learner. The kinesthetic learner will be addressed while posting the predictions and findings. The homework assignment, however, corresponds to the learning needs of an expressive learner/writer.

This lesson includes for the main part creative thinking and problem-solving skills, such as examine information, decision making, comparing and contrasting, defending and disputing, inventing/suggesting. However, identification and recalling of factual knowledge based on the section reading and note taking also is an important part of the lesson.

Websites / Bibliography

1. Clayton, Gary. Economics -Principles and Practice. New York: Glencoe – McGraw-Hill, 2006.
2. Focus: High School Economics, Lesson 16, Activity 4, National Council on Economic Education, New York, NY.

Attachment 1: Can This Friendship Be Saved?

Tom and Jerry have been close friends since kindergarten. They seldom argued, and they never had a problem which they could not resolve or at least compromise on. Naturally they paired up when their economics teacher assigned the following group homework:

Do people/households need business firms?

OR

Do business firms need people/households?

While Tom thinks people need businesses, based on the fact that people purchase things that businesses produce, Jerry argues that people could also try to be self-sufficient. He points out that businesses, besides a sole proprietorship, would not exist without other people working there. Therefore, he concludes, businesses need people.

They get into a heated argument. Unable to reach an agreement, they depart from one another in anger.

Is there a simple solution to their problem? What do you think? How would you approach this homework assignment?

Attachment 2: Context Clues

These clues need to be cut apart and put in an envelope (one envelope per group). The category for each clue needs to be part of the envelope. Students can be challenged by including red herrings into the Factor Market such as:

1. Sam's mother just got hired as a kindergarten teacher with Gwinnett County Public Schools. – Does not belong in the simple circular flow. Public school systems are government agencies, and not privately owned and run business firms.
2. Furthermore, Susan's grandparents are retired. They receive monthly a Social Security check. – Social Security checks are paid through the federal government, and are therefore not considered income earned while selling labor to a private business firm.

Both examples can be used to hint to the students that the circular flow can be extended by government functions and trade/international trade. This, however, is not the main focus of today's lesson.

Circular Flow Context Clues Spring 2011

Scenario 1

Sam is a carpenter, working for a local construction company.

The construction company pays Sam an hourly wage.

Sam spends his money purchasing a range of items such as food, clothing, cleaning items, tools, appliances, etc., at various stores, which will forward a portion of the payments made by Sam to the factories that produced the purchased goods.

Scenario 2

One of the stores at which Sam shops is Publix. This food chain buys meat products from Boar's Head, a meat-processing plant. Boar's Head purchases meat among other meat producers from local farmers, such as the Smith Farm.

Sam's uncle works at the Smith Farm as a mechanic and receives monthly wages from the Smith family. The Smith Farm also rents 150 acres of land from Sam's uncle, who in return receives a quarterly rent payment for it.

Scenario 3

Sam's girlfriend, Susan, works at a local pharmacy store, which pays her a monthly salary. She just bought a new refrigerator for her apartment at Home Depot, which was produced by GE. Sam has a different connection to Home Depot and GE. Two years ago, he bought some stocks of these companies. Now he receives semiannual dividends from this corporation. In addition, Sam has a CD that will mature in six months and pay him 3% interest.

Scenario 4

While working on the Smith Farm, Sam's Uncle Tom had an idea of how to feed cows according to their body mass index in order to increase the farm's milk production. The farmer permitted Tom to experiment with his idea on a part of the herd. They were amazed by the results since each cow gave on average one additional gallon of milk per day. Tom and the farmer patented the idea and receive now, next to higher profits, also royalties from the patent.

Attachment 3: Procedures for Group Work

1. Join an “Economics Study Group” and share your hypotheses with your peers.
2. One group member received an envelope containing clues for the problem to be solved.
Distribute the clues equally among the members of your group.
3. Have each team member read and explain one clue at a time.
4. Discuss the clue with your team members. Identify how the clues might be related to one another and how they could be grouped together.
5. Place related clues in groups. Look for cause/effect relationships.
6. As you review the clues, record your observations and any new hypotheses you might think of, based on the clues.
7. After all of the clues have been discussed and analyzed, decide on and refine one hypothesis.
8. Based on your final hypothesis, create a graphic organizer that explains how households and business firms interact in a market economy.
9. Prepare a three- to five-minute presentation which includes your graphic organizer to explain your hypothesis and generalizations. Make sure that all of your conclusions are supported by selected clues.

Attachment 4: You and the Circular Flow

Based on your future profession, describe your role within the circular flow model. Provide specific examples how you might interact with the product and factor market. Your answer should address how interdependency relates to the circular flow model.