

# LESSON 1: ECONOMICS DECISIONS

## Lesson aim:

- To provide students with a brief introduction of the nature of economics.

## Learning objectives:

At the end of this lesson students will be able to:

- understand some of the basic principles on which economics relies.

## Lesson outline:

Discuss with students what they think economics might be about, then ask them to write down words or concepts that might be associated with it. Continue the discussions by asking them:

Who is involved in economics? Does it concern everyone or certain people? Explain your thinking.

Go through the introductory section of this module with students after which they should be encouraged to ask any questions they may have on it.

### Individual exercise: Defining economics

Ask students to write down statements or topics they think are connected with economics. When finished ask each student for their contributions and write each different answer onto the blackboard or where students can read them.

In small groups, based on the contributions provided, ask students to write their own definitions.

On completion provide students with a standard definition of economics such as:

“A social science that deals with the production, distribution, and consumption of goods and services, and with the theory and management of economies or economic systems.”

- “The study of how societies allocate and manage their scarce resources.”
- “The study of how the forces of supply and demand allocate scarce resources.”
- “The study of the production, distribution and consumption of wealth in human society.”
- “Economics is the study of how individuals and groups make decisions with limited resources as to best satisfy their wants, needs and desires.”

Ask students to comment on the above definitions and what they mean. Are they the same or are there differences between them? What do they think economics means to people in their everyday lives? How important do they feel it is? Explain. What things, do they think, everyone should know about the economy. How might this happen?

### Individual activity: Decisions and allocations (Adapted from Biz/ed materials)

Ask students what decisions and choices they have had to make in their own lives that have important or significant consequences (subject choice, college choices etc). How did they go about making that decision? How did they feel about the decision once it was made? What would have made the decision easier to make? Looking back is there something that they would do differently? What is it and how would you change it?

### Classroom activity: Decision-making and follow-up

Give students the following questions to answer. In terms of the first question the answers should be general rather than specific.

- What should be produced in society?
- How should it be produced in society?
- Who should get what is produced in society?
- How should this be allocated?

## LESSON 1: ECONOMICS DECISIONS

- Who makes the decisions about people's allocations? Is it fair?
- How might a change come about in terms of how decisions are made?

When completed, ask students to take one answer from the first question and provide specific details on what exactly should be provided. (Hints: In the education area what should money be spent on – school buildings, teachers, equipment etc; or in health should money be concentrated on cancer research, heart disease, or other areas etc.) Make a list of student contributions and display them where all students can read.

Then ask students to discuss what they think are the most important things to be provided in society as not everything will make a final list; who should have access and how that access should be provided.

**(Teacher's note: This exercise is to alert students to the fact that trade-offs often happen when decisions have to be made and resources are scarce.)**

Complete the lesson by making a final list and asking students:

- What is your opinion of the final list?
- What is your opinion on the process of making the decisions and the outcome? Explain.
- Was it easy or difficult to eliminate some things? Why?
- What did you learn from this lesson? Explain.
- Can you explain why you decided to take some things out and leave others in?