OLD MACDONALD WENT TO TRADE
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LESSON DESCRIPTION
Students sing the familiar tune, “Old MacDonald Had a Farm.” They identify goods on the farm and suggest services that Farmer MacDonald might have provided or wanted. Acting as farmers, they write two new verses for their farm. One verse identifies a good and the other identifies a service. They draw pictures of their goods and services and trade them for goods and services that other farmers in the class want to trade.

AGE LEVEL
6-8 years old

CONCEPTS
Barter
Goods
Services

CONTENT STANDARDS
Productive resources are limited. Therefore, people cannot have all the goods and services they want: as a result, they must choose some things and give up others.

Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations within a nation, and among individuals or organizations in different nations.

BENCHMARKS
Goods are objects that can satisfy people’s wants.

Services are actions that can satisfy people’s wants.

The oldest form of exchange is barter—the direct trading of goods and services between people.

OBJECTIVES
♦ Students will define goods, services and barter.
♦ Students will give examples of goods, services, and barter.
♦ Students will describe problems that occur in a barter system.
♦ Students will explain why people trade.

TIME REQUIRED
One to two class periods

MATERIALS
• Transparency of Visuals 1 and 2
• One copy of Visual 2 for each student
• Two sheets of paper for each student
• Bulletin board letters for “Old MacDonald Went to Trade” – prepare bulletin board prior to teaching the lesson
• Yarn
• One marker for each student

PROCEDURE
1. Seat students in a circle. Ask how many students know the song, “Old MacDonald Had a Farm.” Most students will know many verses of the song. (To hear the tune, visit kididdles.com.) Tell students that today they will sing several verses of the song. Then each student will write two new verses.

2. Display Visual 1 and have the class sing the three verses of the song.

3. Explain that goods are objects that satisfy people’s wants, such as hotdogs, blankets, jackets, and shoes.

4. Ask students for examples of goods they or their families have. (Answers will vary but they might include games, skateboards, clothes, food, car, and house.) If students answer with
an example of a service, write the name of the service on the board. Point out that this is not a good, but they will use this example later.

5. Have students give examples of goods that they use in the classroom. (Answers will vary but they might include desk, chair, books, playground equipment, and computer.)

6. Ask for some examples of wants that are satisfied by goods that they mentioned. (For example, food satisfies hunger; cars provide transportation; a house provides shelter; games and skateboards provide entertainment.)

7. Tell students that some wants can be satisfied by a service. Explain that a service is an activity that satisfies people’s wants. Services include such activities as milking cows, shearing sheep, washing dishes, ironing clothes, and weeding a garden.

8. Ask for examples of services (Answers will vary, but they might include taking out the trash, making the bed, cooking dinner, cleaning the house, washing the car, and teaching students.)

9. Ask for some examples of wants that are satisfied by the services (Possible answers include education from the teacher, neat and organized house from the cleaning, removal of trash, and a neat bed, and milk to drink from milking the cows.)

10. Point out any services that might have been listed on the board in step 4. Ask students why these are considered services. (They are activities, not objects, that satisfy a want.)

11. Have students look at Visual 1 again and discuss.

A. Does Farmer MacDonald produce goods or services on his farm? (goods)
B. What goods does he produce? (pigs, chickens, ducks)
C. Name some other goods Farmer MacDonald might produce. (sheep, cows, goats)
D. Name some examples of goods that are not animals that he might produce. (potatoes, wheat, corn, beans)
E. Name some services that Farmer MacDonald performs on his farm. (planting seeds, milking the cow, collecting eggs, feeding the animals, picking potatoes, beans, and corn)
F. Explain that farmers also produce services for other farmers, such as harvesting wheat, baling hay, and shearing sheep. Ask for services other farmers might provide for Old MacDonald. (shoeing horses, taking care of sick animals, hauling goods to market)

12. Display Visual 2 and explain that students will write two new verses to the song. One verse should include a good that a farmer might produce. The other verse should include a service a farmer might provide.

13. Explain that each student will draw a picture of the good and the service included in his or her verses. Tell students to label each picture “good” or “service.”

14. Write two new verses, using the examples of a cow and picking apples, to model the activity. Draw a picture of a cow on one sheet of paper. Label the picture “good.” Draw a picture of a farmer picking apples on the other sheet and label it “service.”

15. Have the class sing the song with these new verses. Students will decide what noise or word to use for lines 3-6 of the song.

16. Give each student a copy of Visual 2, two sheets of paper and a marker. Tell them to write two new verses for the song, draw pictures of the goods and services, and label each picture “good” or “service.”
17. Have students share their verses. Tell the class to identify the goods and the services in the verses.

18. Explain that the good and service identified in each student farmer’s verses are the only goods and services that each student farmer has on his or her farm. Discuss the following.

A. What other goods might you want on your farm? (honey, wool, milk, tractor, wagon, barn)
B. What other services might you want? (horses shod, hay cut, apples picked)
C. Which farmers in the room produced other goods and services you want? (Students should name another student that has a good or service they want and identify the specific good or service.)

19. Tell students that there are many ways to get the goods and services they want. One way is to barter. Explain that barter means trading goods and services for other goods and services without using money.

20. Ask for examples of when students have bartered. (traded baseball cards, traded food at lunch, traded toys or books) For each example, have students identify what the individual gave up and what he or she received.

21. Read the following aloud.

Farmer Alice raised a pig. She wants some corn. Farmer Alan grew some corn and wants a pig. Farmer Alice trades her pig for Farmer Alan’s corn.

22. Explain that students will have an opportunity to barter using the pictures of the goods and services that they drew. They may exchange the good they produce or service they provide on their farm for something they want that another farmer produces or provides.

23. Model an exchange using the pictures of the cow and the farmer picking apples. Begin a trading period.

24. After most students have had time to trade, stop the trading period and discuss the following.

A. What trades did you make? (Answers will vary.)
B. Did you trade goods or services or both? Which was a good and which was a service? (Answers will vary.)
C. Did anyone have problems making a trade? Explain. (No one wanted what I had to trade. My cow was worth more than the goods other students had to trade with me.)
D. Did anyone trade more than once? Explain. (I changed my mind. I traded for something I didn’t want and then traded that for something I did want.)

25. Explain that for trade to occur each student must want what the other student has to trade. Finding someone who has something for which you are willing to trade and needing to make multiple trades to get what you want are problems that might occur with barter.

26. Put student pictures on the “Old MacDonald Went to Trade” bulletin board. Review which goods students produced and which services they provided. Have them identify the trades they made. Connect the trades with yarn.

27. Draw students’ attention to all the trades that were made. Have them explain how the trades benefited the farmers. (They were able to get many goods and services they didn’t have.) Point out that the farmers were better off by trading.
LESSON ONE

CLOSURE
Review the main points of the lesson with the following.

1. What are goods? (Goods are objects that satisfy people’s wants.) Give some examples of goods. (Answers will vary.)

2. What are services? (Activities that satisfy people’s wants) Give some examples of services. (Answers will vary.)

3. What is barter? (The direct exchange of goods and services; trade without money)

4. Why might people barter? (To get goods and services they want)

5. What are some problems with bartering? (Finding someone who wants what you have to trade and who has what you want; sometimes multiple trades must be made to get what you want)

6. Give an example of bartering. (Trading a yo-yo for a book; shearing sheep for eggs, cleaning your room for a month for a new game)

7. How does trading benefit the individuals who are bartering? (Each is better off.)

ASSESSMENT
1. Tell students to draw a picture of a bartering situation. Ask them to write at least a three sentence paragraph that includes the following.
   - An explanation of what was traded
   - Identification of what was traded as a good or service
   - Explanation of why each individual was willing to trade

2. Have students write a short paragraph about how they might barter for goods and services during a school day.

EXTENSION
1. Schedule a “Barter Day.” Have students bring a small, inexpensive item from home to trade. Be sure to notify parents and students that any item traded will not be returned. Conduct a bartering session where students can trade their items. After the bartering session, have students write a journal entry explaining what they traded for and why and identifying any problems they had.

2. Have students create a book that follows the bartering adventure of a second grade student through town. A sample entry might be that John had a video game. John traded his video game to Bob for Bob’s soccer ball. Have students illustrate the book and share it with a kindergarten class.
Old MacDonald had a farm. E I E I O
And on this farm he had some pigs. E I E I O
With an oink, oink here,
And an oink, oink there,
Here an oink, there an oink,
Everywhere an oink oink,
Old MacDonald had a farm. E I E I O

Old MacDonald had a farm. E I E I O
And on this farm he had some chickens. E I E I O
With a cluck, cluck here,
And a cluck, cluck there,
Here a cluck, there a cluck,
Everywhere a cluck, cluck,
Old MacDonald had a farm. E I E I O

Old MacDonald had a farm. E I E I O
And on this farm he had some ducks. E I E I O
With a quack, quack here,
And a quack, quack there,
Here a quack, there a quack,
Everywhere a quack, quack,
Old MacDonald had a farm. E I E I O
Visual 2
Old MacDonald – New Verses

Verse 1

Old Mac______________________ had a farm.
   (Write your last name.)
   E I E I O

And on this farm he had a ____________________
   (Name a good.)
   E I E I O

Verse 2

Old Mac______________________ had a farm.
   (Write your last name.)
   E I E I O

And on this farm he had a ____________________
   (Name a service.)
   E I E I O