LESSON ONE

A ROOSTER AND A BEAN SEED
by Julia Lelyuk (Ukraine)

LESSON DESCRIPTION
In this lesson, students hear a folk tale and participate in a simulation that helps them recognize problems with barter and benefits of monetary exchange.

AGE LEVEL
7-10 years old

CONCEPTS
barter
exchange (trade)
money

CONTENT STANDARDS
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.

Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

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

Money makes trading easier by replacing barter with transactions involving currency, coins, or checks.

OBJECTIVES
♦ Students will explain that people trade goods and services when they expect to be better off.
♦ Students will define barter as the simplest form of exchange; that is, the direct exchange of goods and services.
♦ Students will explain that money is useful because it can be used to buy goods and services.

TIME REQUIRED
One to two class periods

MATERIALS
• copy of Activity 1
• copy of Activity 2 for each group of eight, cards cut along solid and dashed lines
• transparency of Visual 1
• small group prize (optional)
• copies of Activity 3 (cards cut apart) so that each student receives ONE GREEN

PROCEDURE
1. Read Activity 1, “A Rooster and a Bean Seed,” aloud to the class. Discuss the following.

A. Why did the hen trade? (She had to trade to get the butter to grease the rooster’s throat.)
B. Which trades did she make? As students answer, write the trades on the board. (an egg to the blacksmith for a scythe, the scythe to the farmer for some grass, the grass to the cow for some milk, the milk to the farmer’s wife for some butter)
C. Why wouldn’t the farmer’s wife trade butter for an egg? (She didn’t want an egg.)
D. What did the farmer’s wife want? (milk)
E. Why wouldn’t the cow trade milk for an egg? (She didn’t want an egg.)
F. What did the cow want? (fresh grass)
G. Why wouldn’t the farmer trade grass for an egg? (He didn’t want an egg.)
H. Why would the farmer trade grass for a scythe? (He wanted a scythe.)
2. Explain that the hen was using barter. **Barter** is the direct exchange of goods and services without the use of money. Point out that the characters in the story were willing to barter with the hen only when she was able to offer something that they wanted. When two people have what one another wants, there is a **coincidence of wants**. A coincidence of wants is necessary for trade to occur. The hen had an egg and wanted milk. The cow had milk, but she didn’t want an egg. They did not have a coincidence of wants.

3. Have students give examples of barter exchanges that they have made and explain why they traded. (Other people were willing to trade what they had for what the student had and vice versa. So, they were better off after the trade.)

4. Explain that students will participate in a barter activity. Divide the class into groups of eight. Give each group a set of cards from Activity 2.

5. Have each student take two cards with the same number. Explain that one card identifies a good that the student has and the other card indicates the good that the student wants. The “have” card can be traded within the group for any other “have” card available. Students should keep the bottom part of the card to remind them of the item they want.

6. Allow students to trade until everyone in every group has obtained the wanted item. On the chalkboard, record the amount of time each group spent trading. Check each group’s results to make sure that trades were made correctly. *(books for pocketknife; pocketknife for blanket; blanket for flashlight; flashlight for wrist watch; wrist watch for doll; doll for bag; bag for book)*

   Note: The symbol on the final “have” card should be the same as the symbol on the original “want” card.

7. Discuss the following.

   A. How many trades (transactions) took place before each person in the group had what was wanted? *(seven)*
   
   B. Who began (initiated) the trades? *(Only one person could complete the trades — the person with the boots.)*

8. Point out that one person was involved in seven trades. Display Visual 1 and describe the successful trading process that occurred. Distribute a small prize to the group that was first to complete trading. (optional) Discuss the following.

   A. What type of trade occurred in our activity? *(barter)*
   
   B. What are the problems using barter? *(A coincidence of wants is necessary for barter, so people may have to trade several times to get what they really want. Barter can take a lot of time.)*

9. Tell students in each group to return the upper part of their cards to the person who originally had it. Visual 2 may be used as a guide to make sure that each person receives the appropriate card.

10. Explain that students will participate in another exchange activity. Distribute ONE GREEN to each student. Explain that the ONE GREEN represents money that can be used to exchange for goods and services. Each good has a price of ONE GREEN. Once again, in the trading period, the goal is to obtain the item they want. This time, they may use the ONE GREEN. Allow time for students to trade.

11. After the trading has been completed, record the time it took for all groups to trade. Check the trading cards to make sure that all trades occurred correctly. Give a small prize to the group that was first to complete trading. (optional) Discuss the following.
A. How many trades occurred in the barter round? (seven)
B. How many trades occurred in the round in which money was used? (eight)
C. Which round took less time for trade to be completed? (the round in which money was used)
D. Why did the groups spend more time in the barter round? (It was difficult to trade for what was wanted. Not everyone wanted what the trader had so the trader had to use a series of trades. There was a problem with coincidence of wants.)
E. What was the advantage of using money (GREENs) for trade? (There wasn’t a need for a long chain of transactions. Each person could use money to purchase the desired good.)

**ASSESSMENT**
1. Have students write a short paragraph that describes how money serves as a better form of exchange than barter.
2. Have students write a short paragraph describing a trade that they have made. They should explain how each person was better off after the trade.

**EXTENSION**
1. Have students write a barter story about a boy who has a soccer ball and wants a basketball. They must include at least three trades.
2. Have students interview an adult. They should ask if the adult has ever used barter and find out why he or she used barter. Discuss examples in class.

**CLOSURE**
Review the main points of the lesson.

1. Can a person have all things that are wanted without trading with other people? (No one can produce all goods and services for his or her own consumption. That is why it is necessary to trade.)

2. “If people trade, one person gains and the other person loses from the trade.” Why is this statement false? (Voluntary trade benefits both people. If it didn’t, they wouldn’t trade.)

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

4. Why did people move from barter to trade using money? (Barter requires a coincidence of wants. If a coincidence of wants doesn’t exist, then many trades may be necessary. Making a lot of trades is time consuming. The use of money makes trade easier and faster.)
Activity 1

A Rooster and a Bean Seed

Once upon a time, there were a hen and a rooster. The rooster was always in a hurry. The hen was always telling him, “Friend, don’t be in such a hurry. Slow down!”

One day the rooster was pecking bean seeds. Because he was pecking so fast, one bean seed went down the wrong way and blocked his throat. The rooster could not breathe or speak, and he fell down on the ground as if he were dead.

The hen was frightened. She rushed to the farmer’s wife and said, “Please, give me some butter to grease rooster’s throat because he is choking on a bean seed! If you help me, I will bring you an egg.” The farmer’s wife replied, “I don’t need your egg. You’d better go and ask for some milk from the cow. Then I will make some butter for you.”

So, the hen hurried to the cow and begged, “Please, give me some milk quickly! Then the farmer’s wife will make some butter, and I will grease rooster’s throat. He is choking on a bean seed. If you help me, I will give you an egg in exchange.” The cow shook her head and said, “I don’t need eggs. Go to the farmer and let him bring me some fresh grass.”

The hen ran to the farmer and said, “Dear sir, please give me some fresh grass for the cow! Then the cow will give some milk to your wife, and she will make some butter, and I will grease rooster’s throat because he is choking on a bean seed. I will bring you an egg as a reward.”

The farmer pointed his finger to the blacksmith’s house. “I don’t need an egg. Go to the blacksmith and bring me a scythe.” So, the hen rushed to the blacksmith and said, “Please, give me a scythe for the farmer! The farmer will bring some fresh grass for the cow. The cow will give milk to the farmer’s wife, and she will make some butter for me. I will grease the rooster’s throat because he is choking on a bean seed. I will bring you an egg in return.”

The blacksmith agreed. He gave a scythe for the farmer and received an egg in return. The farmer brought fresh grass to the cow. The cow gave milk for the farmer’s wife. The farmer’s wife used the milk to make butter. Finally, the hen got the butter and greased the rooster’s throat. The rooster swallowed the bean seed and joyfully shouted, “Cock-a-doodle-doo!”
### Activity 2
**Trading Cards**

<table>
<thead>
<tr>
<th></th>
<th>You have a pair of boots.</th>
<th>You have a wrist watch.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>You want a book.</td>
<td></td>
</tr>
<tr>
<td>Θ</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>You have a pocketknife.</th>
<th>You have a doll.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>You want a pair of boots.</td>
<td>You want a wrist watch.</td>
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<td>Θ</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>You have a bag.</th>
<th>You have a blanket.</th>
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<tbody>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>σ</td>
<td>You want a doll.</td>
<td>You want a pocketknife.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>You have a book.</th>
<th>You have a flashlight.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Θ</td>
<td>You want a bag.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>You want a bag.</th>
<th>You want a blanket.</th>
</tr>
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<tr>
<td>8</td>
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Activity 3  
**Green (money) Cards**

<table>
<thead>
<tr>
<th>ONE GREEN</th>
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</tbody>
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Visual 1

Order of Trades

(1) a pair of boots for a pocketknife
(2) a pocketknife for a blanket
(3) a blanket for a flashlight
(4) a flashlight for a wrist watch
(5) a wrist watch for a doll
(6) a doll for a bag
(7) a bag for a book