



## Video 1 - Lesson Plan “Wheat Bread, Fruit, or Cheese”

### Lesson Description

In this lesson, our friends, the Rats, are eager to buy everything in the grocery store for their lunch. However, because they cannot have everything they want, they must make choices. The next best thing they give up when making a choice is called our opportunity cost. Students will practice making choices and identifying opportunity costs based on scenarios taken from daily life.

### Materials

- Projector and screen
- A copy of Handout 1 for each student
- PowerPoint presentation

### Suggested Grade Levels

Grades 1 and 2

### Economic Concepts

Opportunity cost  
Choice

### Voluntary National Content Standards in Economics

#### Content Standard 1: Scarcity

- Students will understand that: Productive resources are limited. Therefore, people can not have all the goods and services they want; as a result, they must choose some things and give up others.
- Students will be able to use this knowledge to: Identify what they gain and what they give up when they make choices.

### Georgia Standards of Excellence - Economic Understandings

- SSKE4 Explain that people must make choices because they cannot have everything they want.

- SS2E1 Explain that because of scarcity, people must make choices that result in opportunity costs.

### Classroom Procedures

1. Opening: Share the following scenario with students and explain that they are about to make a prediction about what will happen next:
  - a. “A group of friendly rats heads to the grocery store to buy themselves a snack. They have \$2 that they have decided to spend. After they wander around the store for a bit, they realize that they want to buy a lot of different foods. However, all of those choices would cost more than they have to spend - this means they have to make a choice.”
  - b. Display Slide 1 of the presentation which shows the choices the rats want to make with their money. They can buy fruit for \$2, cheese for \$2, or wheat bread for \$3. Ask students, “Which choice do you think the rats will make?” (**Answers will vary. Some students may assume the rats want cheese, others may pick the food that they prefer themselves. If students think the rats can buy the bread, help them consider whether or not the rats have enough money to make that choice.**)
  - c. Tell the class that they will watch a music video that will explain what the rats choose. Pay particular attention to the rats’ choices AND to the food that the rats were not able to buy.
2. Show the “Wheat Bread, Fruit, or Cheese” video to the class. As the video ends, encourage the class again to notice the choice that the rats made.
  - a. Return to Slide 1 of the presentation,, and ask students to revisit their predictions. Ask, “were our predictions correct?” and follow up by asking students to explain their answers. (**Again, answers will vary, but many students may find that they correctly predicted that rats would pick cheese as their snack, especially since it cost less than the money they had decided to spend.**) If using an interactive board (like a SMARTBoard or Promethean) ask a student to circle the cheese on the slide, since it shows the way that the rats chose to spend their money. (If an interactive is unavailable, the student may “air-draw” a circle indicating their response.)
  - b. Then ask students, “Which option did the rats have to give up in order to buy the cheese that they wanted?” (**Fruit.**)
  - c. Continue the conversation by asking students if they remember the economics term for what is given up when someone makes a choice. (**Opportunity cost.**) Ask another student to put an X on the fruit on the slide (if using an interactive board), to show that it was the rats’ opportunity cost in this situation.
  - d. It may be necessary to walk students through these distinctions, so take the time to do this before continuing with the lesson. One way to clarify the concept of opportunity cost is simply to list the rats’ possible choices on the board: wheat bread, fruit, and cheese. Ask the students to rank those choices in the order of the rats’ preference. (**1. Cheese 2. Fruit 3. Wheat Bread.**) In any such list, the second item - the one foregone when making a choice - is the

opportunity cost. Thus, in this example, the rats chose to buy cheese, making fruit their opportunity cost.

3. Tell the class that they will be making some shopping choices based on different situations. In each situation, they will make a choice, give the reasons for that choice, and then identify the opportunity cost of that choice.
  - a. Advance to Slide 2, which asks students to choose a snack for a birthday party.
  - b. Give the students a little bit of a scenario related to planning a birthday party. Here is a suggestion: Imagine you are in charge of helping plan a birthday party. Your parents have baked a cake, you have all the decorations made, and the guests have been invited. On the morning of the party, you realize that you want to give your guests an extra snack. You decide to spend \$6 on the snack, and your dad drives you to the store. When you get there, you look around and narrow down your choices to two possible snacks: individual bags of chips, or individual cups of ice cream. Chips would cost \$5, and ice cream would cost \$4.
  - c. After sharing the scenario, give students a minute to think, and then ask them to decide which snack they would buy: “would you choose the bags of chips or the cups of ice cream.” Obviously, students’ answers will vary. Continue by asking, “why did you make that choice?” (**Some students may say that they chose the less expensive option; some may choose based on their personal preference; some may choose the option they think more people would enjoy; etc.**)
  - d. Then, ask students to identify their opportunity cost, based on their choice: “because you chose chips/ice cream, what would your opportunity cost be?” (**Chips or ice cream, depending on the original selection.**) Follow up by asking students to explain their thinking, “why is that your opportunity cost?” (**It was the next-best option I could have picked; it was number two on my list of choices; I had to give up chips/ice cream because I picked the other option; etc.**) Here, it is important to make sure that students know that there is a sole opportunity cost; the opportunity cost is not all of the unpicked choices, but is only the next-best alternative.
  - e. Conclude this conversation by having a student circle their choice, and put an X over their opportunity cost on the slide. Remind students that this only reflects one of the possible choices in the scenario.
  
4. Repeat the procedure in Step 4 for the next two scenarios, shown on Slides 3 and 4. Students must choose between two choices when shopping for a family dinner on Slide 3. On Slide 4, they take money earned from chores and use it to make a larger purchase. In both situations, they do not have enough money to buy everything shown, so they have to make a choice. Potential scenario stories are listed below, but feel free to adapt them to make them relevant and engaging for your students.
  - a. Slide 3: *Your family has a tradition of making a special meal on Tuesday nights. This week, your mom has made spaghetti and sauce from her secret recipe. She has asked you to go with her to the grocery store and pick out a special side to go along with the meal. The two of you decide to spend \$7. When you get to the store, you narrow down your choices to a freshly-baked loaf of Italian bread, which would cost \$4, or a salad with fancy cheese and olives, which would cost*

*\$5. Think about the choice you would make, and then turn to your partner and discuss your choices.*

- b. Slide 4: *You have worked all summer doing chores around the house and helping your neighbors with yard work to earn some spending money. Now, it's the week before school starts, and your parents have agreed to take you shopping. After wandering around the store for so long that your parents have gotten sleepy, you narrow down your choices to a walking robot toy, a brand-new board game, and a skateboard. You have decided to spend \$30 of your summer earnings today. The robot costs \$25, the board game costs \$20, and the skateboard costs \$30. Which item will you buy? Which item will be your opportunity cost?*
  - c. Here, it is important to make sure that students know that there is a sole opportunity cost; the opportunity cost is not all of the unpicked choices, but is only the next-best alternative.
5. Assessment: After discussing all three scenarios with the class, tell students that now they will get to work on their own to show their new economics learning, by making choices and identifying opportunity costs.
- a. Distribute one copy of "Handout 1: Choice and Opportunity Cost" to each student.
  - b. Explain that each section of the worksheet describes a scenario like the ones the class has discussed. Depending on the age and reading skill of your students, you may wish to have them work entirely independently, to read the scenarios to them and allow them time to answer, or to use the sheet in conjunction with longer scenarios, samples of which are listed below:
    - Your entire grade level is taking a field trip to the zoo. You have decided to spend \$15 of your birthday money on a souvenir at the end of the trip. After looking around the gift shop, you narrow down your choices to a lion t-shirt for \$12, a giraffe notebook for \$9, and a stuffed panda toy for \$14. Because you cannot buy all of the things you want, you have to make a choice. What will your choice be?
    - Your grandmother stops at a gas station to fill up her car, and gives you \$2 to go inside and pick out a treat. It is a blisteringly hot and humid day in July, and you have been playing outside with your cousins. After looking around the store, you narrow your choices down to a popsicle for \$1, a bottle of water for \$2, and a bag of candy for \$2. What treat do you pick?
  - c. Students should complete their worksheets by circling their choice in each scenario, and then writing an X over its respective opportunity cost. Then, they should write the name of the item they chose and their item's opportunity cost on the correct lines. Again, students' age and writing skill will determine how independently they can complete the worksheet.
  - d. Collect students' completed worksheet, and use the results as a formative assessment. If time permits, you could ask students to share their reasons for their choices, and why they were willing to give up their opportunity costs. Note: answers on the worksheets will vary based on students' choices.



6. Closing: Explain to students that the choices made in these scenarios tend to lead to additional choices. For example, if you decide to buy a popsicle at the gas station, what flavor will you buy? Then, will you eat it right away or save it for later? As another example, when you are at home and have free time, you may decide to color in your favorite coloring book instead of play a game. Which picture will you color? Will you use crayons or colored pencils? Choices are rarely “one and done.” Have students think about a time where they have had to make a choice, and discuss how those choices have led to the need for additional decisions. End the lesson by reminding students that we make choices because we can’t have everything we want, and that every choice we make has a cost.

**Presented by**





**Slide Presentation Thumbnails**


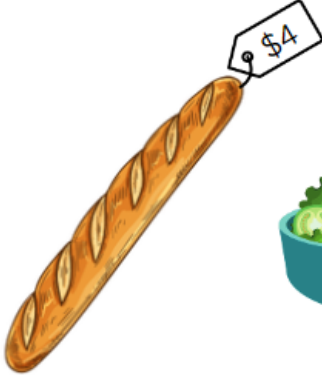

Slide 1

The Rats are planning for	They have	Draw a circle around their one choice. Draw an X over their opportunity cost.
 <p>SNACK TIME</p>	<p>\$2</p>	





Slide 2

You are planning for	You have	Draw a circle around your one choice. Draw an X over your opportunity cost.
 <p>A BIRTHDAY PARTY</p>	<p>\$6</p>	

Slide 3

You are planning for	You have	Draw a circle around your one choice. Draw an X over your opportunity cost.
  TUESDAY NIGHT DINNER	\$7	 

Slide 4

You are planning for	You have	Draw a circle around your one choice. Draw an X over your opportunity cost.
  A SHOPPING TRIP	\$30	  

## Handout 1: Choice and Opportunity Cost

Name \_\_\_\_\_

Date \_\_\_\_\_

# CHOICE AND OPPORTUNITY COST





Because we cannot have everything we want, we must make **choices**. The next best thing we give up when making a choice is called our **opportunity cost**.

You are planning for	You have	Draw a circle around your one choice. Draw an X over your opportunity cost.
 A TRIP TO THE ZOO	\$15	 \$12 t-shirt  \$9 notebook  \$14 stuffed animal

I chose the \_\_\_\_\_.

My opportunity cost (the next best thing I gave up) is the

\_\_\_\_\_.

You are planning for	You have	Draw a circle around your one choice. Draw an X over your opportunity cost.
 A HOT DAY	\$2	 \$1 popsicle  \$2 bottle of water  \$2 candy

I chose the \_\_\_\_\_.

My opportunity cost (the next best thing I gave up) is the

\_\_\_\_\_.