

Year 6: Economics And Business



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Teachers' Notes

Year 6: Economics and Business is a teacher-friendly resource specifically written for 11-12 year olds who are living in Australia and studying Economics and Business. This book is divided into three sections comprising student information pages and student activity pages, which explore economics and business skills as prescribed in the Australian curriculum.

The first section, *Resources And Choices*, reinforces the concept that there are limited resources to meet the demand for goods and services from consumers. Students will be asked to categorise and prioritise needs and wants from a personal, community and governmental point of view and consider the trade-offs that have to be made to obtain what they want. This section invites students to think critically about the products that they consume and the effects that their choices might have on the environment and on the livelihoods of others.

The second section, *Consumer And Financial Decisions*, focusses on how a consumer's shopping choices can have impacts on the local and global economy. A family's expenditure case study highlights how people can obtain what they need by weighing up the opportunity cost when making financial decisions. Students will also investigate sustainable methods of production and distribution and consider how product labelling can inform and influence consumer choices at the check-out.

The final section, *Business And Industry*, explores different types of businesses and their motives for being established. An in-depth look at the ways in which people can shop nowadays evaluates the shopping experience from traditional retail to the ever-expanding world of e-commerce. Students will carry out their own research to prepare a report on one of Australia's major industries, the goods and services that it provides and how it contributes to the economy. They will also collaborate to write a proposal for a business venture of their own.

Activity

Trade-Off 2

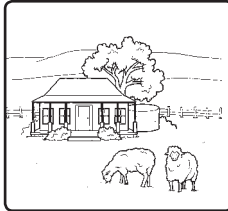
Trade-offs are commonplace in our daily lives. Trade-offs affect individuals, families and communities.

- Look at the five scenarios below. Shade the choices that you would make. Write the trade-off(s) for each choice made. Discuss your choices and trade-offs with a partner.

Choices

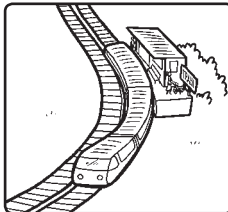
Trade-Offs

①



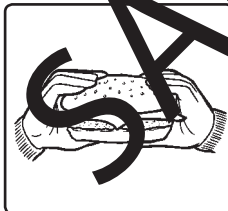
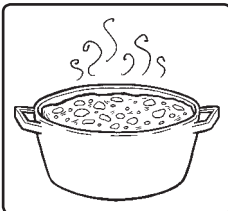
To live in the city or the country?

②



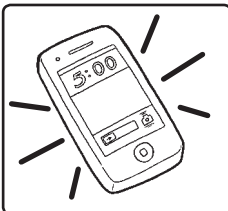
To drive to work or take public transport?

③



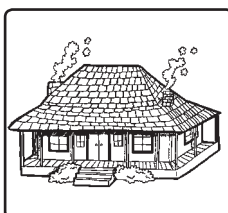
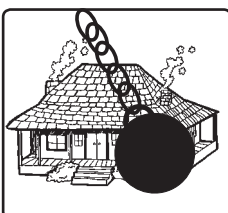
To cook at home or buy take-away?

④



To buy a new mobile phone or repair the old one?

⑤



To demolish a historic building or restore it?

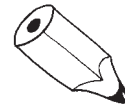
Activity

Prioritising 1

It's nearing the end of the Christmas school holidays. Mum has given you \$75 to spend on basic supplies for the new school year. Look at the stationery items on this flyer with their prices. You can't buy everything, so you'll need to prioritise!



Tn jui 't! Tdi ppm! Tvqqnjft



calculator (large display)	\$12.95
jumbo markers (pk of 10)	\$6.30
HB pencil (pk of 6)	\$2.50
coloured gel pens (pk of 24)	\$10.25
long life eraser	\$1.45
correction tape	\$3.35
highlighters (pk of 8)	\$10.50
bookmarks (pk of 4)	\$1.85
ballpoint pens (pk of 6)	\$3.80
ruler (wood)	\$1.50
ruler (foldable)	\$3.35
scissors	\$2.90
scissors (left-handed)	\$4.00

sharpener with waste box	\$2.18
USB flash drive (8G)	\$11.50
magnifying glass	\$4.90
A4 exercise book (64pg)	1.36
A4 plastic cover	.42
A4 3-ring folder	\$1.65
staple	\$4.80
pencil case (assorted)	\$5.50
glue stick (80g)	\$2.35
glitter glue stick (5 colours)	\$1.75
student diary	\$4.98
geometry set (7 pieces)	\$6.99

Hurry while stocks last!

1. Make a rough list of the supplies that you really need in the space right, then do some calculations to see how much money you have left from \$75. Remember that if you need more than one of the same item, you have to do some multiplication (e.g. 8 exercise books = $8 \times \$1.36$).
2. After you have the essentials, spend the remaining money on the items that you want, but don't go over your limit!
3. Highlight on the stationery list the items that you have purchased. What was the total cost? \$_____
4. Give a reason for making the decision not to buy a specific item on the list. Tick this item.

Nz!Mjtu	
<input type="radio"/>	
<input type="radio"/>	
<input type="radio"/>	

INFORMATION

The products that we choose to buy have an effect on our sustainable future. Our choices can also send a message to producers that sustainability is high on the list of consumer priorities. As you shop, you can be on the lookout for information on labels and packaging that identifies how a good has been produced and distributed. You can then make your decisions by considering whether a product: saves energy, is biodegradable, is packaged in recyclable materials or has travelled half way around the world to be on your table!

1. Document in a journal over the next three days the products that you have bought personally (or those bought for the family). Find out how you contributed to sustainability by recording the names of the products purchased under the different categories below. Where possible, sketch the symbols on the packaging that gave you the sustainability information.

Produced locally:	Made from recycled materials:	Minimum packaging – less waste:	Organically produced:
Made from a source of sustainable wood:	Sustainable seafood:	Biodegradable packaging:	Energy-efficient electrical appliances: more stars – save more:

2. Compare your sustainable consumer journal with several classmates. Evaluate below how you fared in making sustainable choices.

Activity

Family Spending 2

After studying the infographic on the previous page, answer the questions below.

1. The infographic is a snapshot of the average value of goods and services that Australian households consume each week. Give three examples of spending that do not appear in the data.

①

②

③

2. Why do you think holidays take up a considerable amount of people's spending?

3. Which goods and services besides bakery products would you consider to be essential? Choose two essential goods and services and justify the need for them.

ESSENTIAL PURCHASE 1: _____

ESSENTIAL PURCHASE 2: _____

Use the information presented in the table on the previous page to help you to answer the questions below.

4. How would you explain the fact that a couple without children would spend more on housing, but less than a couple with young children in almost every other category?

5. What percentage is *housing, food and drinks* and *transport*, of each family type's total weekly expenditure? (Remember: $\% = n \div \text{total expenditure} \times 100$. Round up to the nearest whole number e.g. 23.66 → 24.) Who spends more as a percentage of their weekly spending on these essential goods and services?

Couple without children

%

Couple with children

%

6. Speculate on the weekly expenditure of a family with children aged between 14-24 in the following areas:

A) recreation _____ B) fuel and power _____ C) transport _____

Why are your estimates higher or lower than the expenditure of the family types in the table?

Read the report on the previous page to help you to answer the questions below.

1. Identify three problems that local food producers face in getting their produce into local supermarkets.

PROBLEM 1: _____

PROBLEM 2: _____

PROBLEM 3: _____

2. How does a supermarket's own brand of groceries benefit the consumer?

3. What are the benefits to the supermarket retailers of buying foods grown, processed and packaged overseas?

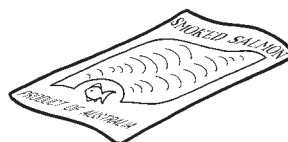
4. Look at the solutions suggested in the report. Which one do you think would be most effective in supporting local farmers? Explain your choice.

5. *Food Standards Australia and New Zealand* has laws which govern how a food product should be labelled in order to inform a consumer's choice. Consult this website ► www.accc.gov.au/consumers/groceries/country-of-origin to find out the laws for making the two claims below on product labels. Give examples if it helps your understanding.

CLAIM 1: MADE IN AUSTRALIA



CLAIM 2: PRODUCT OF AUSTRALIA

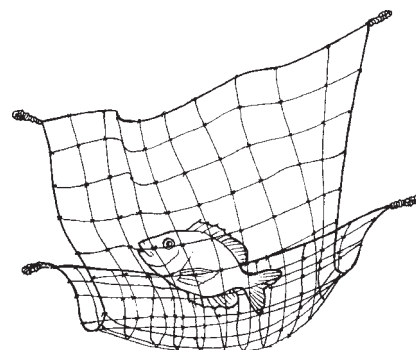


Activity

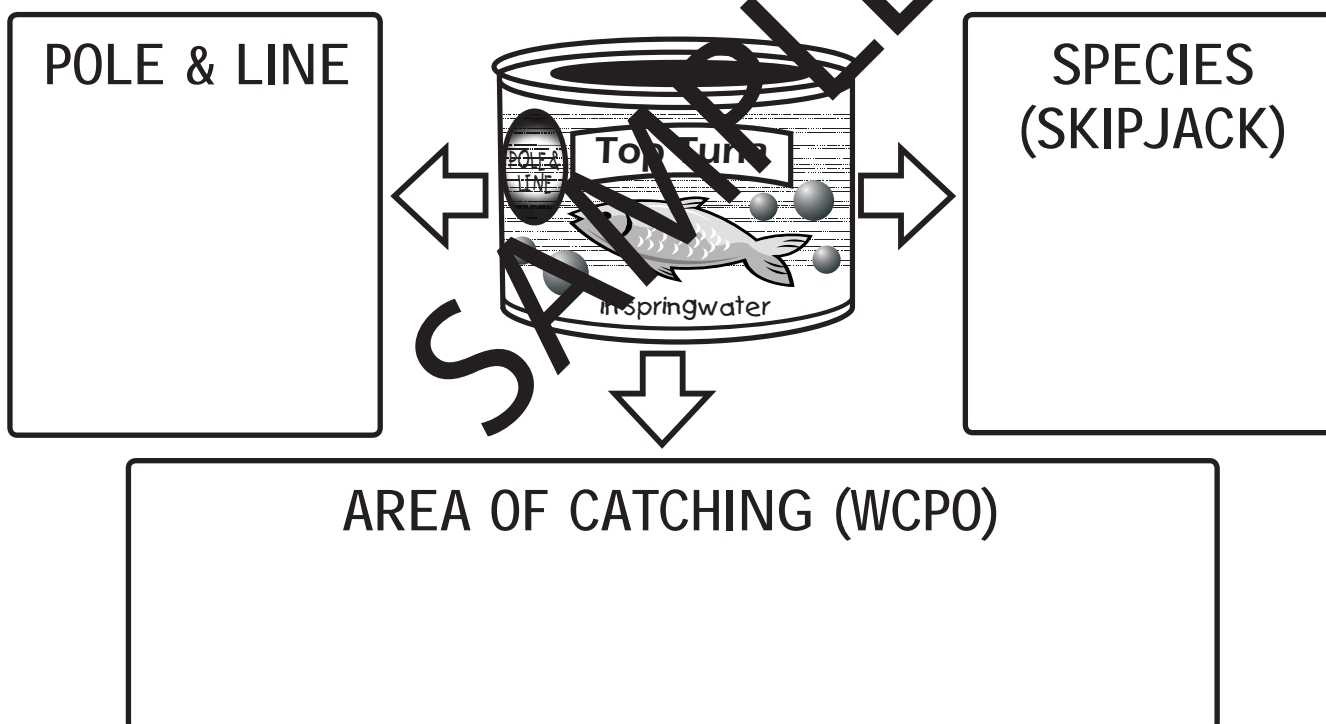
The Environmental Choice 4

INFORMATION

Consumers have a vital role to play in a sustainable future because they can decide to buy products that have a reduced impact on the environment. Canned tuna has been a healthy part of the Australian diet for generations – it's affordable and convenient. However, much of the tuna that you enjoy is caught and canned in other regions of the world and sustainable fishing practices are not always used to supply the market. Consumers can look for certain information on canned tuna labels to ensure that the tuna comes from a sustainable source.



- In Australia, cans of tuna display three essential pieces of information to inform potential consumers: species; area of catching (WCPO); pole and line. These three pieces of information are required to be placed on the cans' labels or on the producers' websites. Research what this information means to help you to make notes in the text boxes provided next to the image below.



- How has the tuna fishing industry become more dolphin-friendly since the 1990s? Visit this site to find out more: www.earthisland.org/dolphinSafeTuna/consumer/

Activity

Grouping Businesses 2

Read the information on the previous page to help you to answer the questions.

1. Why is being able to make a profit a major objective of most businesses?

2. What are two differences between Public Sector and Private Sector businesses?

Difference 1:

Difference 2:

3. Think about the shopping facilities and public services in your local area. Can you name at least three businesses for each of these business categories?

PUBLIC SECTOR	PRIVATE SECTOR	NOT-FOR-PROFIT or CHARITY

4. Why would Public Sector businesses aim to create a surplus each year?

5. An entrepreneur is somebody who thinks of a good business idea, organises the people and resources to develop the product, and takes all the financial risks to make the enterprise a success. Famous entrepreneurs include: Bill Gates, Richard Branson, Jamie Oliver, Victoria Beckham and Oprah Winfrey.

- Research a young Australian entrepreneur and prepare a short talk on the product or service which he or she has developed from a bright idea. This is a useful website:

► www.ey.com/AU/en/About-us/Entrepreneurship/Entrepreneur-Of-The-Year

Ways Of Providing Goods And Services 2

Read the information on the previous page to help you to answer the questions on this page.

1. List three advantages for consumers of shopping at shopping centres or malls.

- i. _____
- ii. _____
- iii. _____

2. What are chain stores?

3. Why do chain stores take up a large percentage of retailer space in shopping centres?

4. Compare the goods and services that you've recently bought from shopping centres with those from local small independent retailers in this Venn diagram.



- Share your comparison with other peers. Is there a pattern for the types of goods and services bought from small independent retailers?

5. What strategies do small independent retailers use to attract consumers?
