



**Time
Required:**
45-60 minutes

Grade Level:
6-12th grades

Skills for the 21st Century Marketplace Activity

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“Bead Game” Activity

Infusionomics Themes, Keystone Economic Principles, and Skills for the 21st Century Marketplace:

•**THEME: RESOURCES**

- Keystone Economic Principle™ #4:** Economic systems influence choices

•**THEME: INCENTIVES**

- Skills: 22. Entrepreneurial Process**

** For additional standards and content references, please see the [end of document](#).

Overview:

In the Bead Game activity, Students will have the opportunity to participate in the three basic economic systems, (market, command, and traditional). By working in each of the systems, students internalize the fundamental values present in each system. They also gain insights into the basic advantages and disadvantages of each system.

Objectives:

In this activity, students will produce in each of the three basic economic systems, learn the names of each of the systems, gain insights into the basic values of each system, evaluate the incentive structures of each system, and recognize how each system touches their lives.

Materials and Handouts:

- Six balls of light packaging string
- Beads – A package each of red, blue, yellow and green
- A ruler, scissors, and bead "bowl" for each group
- Copies of each of the systems values and goals sheets (Handout #1, #2, & #3)
- Overhead of the score board sheet
- Handout #4: Teacher Cheat Sheet
- Handout #5: Debriefing Sheet and Handout #6: Answer Key

Activity:

- Have the room set up in 6 small groups of 4 to 5 students per group. If there are not enough students to form 6 small groups you can form 3 groups of no more than 5 students per group. Students will be cycling through 3 different experiences so it is important that you have groups in multiples of 3. There are also roles within the group so it's good to have close to 5 people in each group.
- Each group should have a ball of string, a bead bowl (with all the colors of beads), a scissors, and a ruler.
- Explain to students that three seven minute rounds will be played. The values and goals sheets are rotated from group to group after each round so every group can experience each system during the hour. (The teacher must be very familiar with the information on each of these sheets, as it helps to speed up the scoring after each round – see [Handout #4](#) for a summary.)
- Explain to students that groups are to follow whatever directions are on their values and goals sheet. The teacher acts as the person to distribute the beads each round and as the quality control person. Students will be given a few minutes to read and understand their values and goal sheets before each round.
- Distribute the first set of [Handout #1](#) to the first group(s), [Handout #2](#) to the second group(s), and [Handout #3](#) to the third group(s).
- After each production round the group scores are posted on the score board (see [Handout #4](#)). The winning group is the one that has the most dollars per person after the third round.
- One fifty minute period is required for the game. Another two or three periods are required for the debriefing, especially if the question about which system is best is pursued in any depth. This game can then be referred to at any time in the future where the economic system impacts the history or culture of a nation.
- Debrief with students by completing the chart (see [Handout #5](#)) and discussing what happened. Students can complete the chart with their team and discuss as a whole class (see [Handout #6](#) for answer key) or you can have students complete the chart individually first and then discuss as a whole class.
- Students don't realize how much they learned stringing beads until the debriefing. Optional activity is to hypothesize about the GDPs of real world systems.

Additional Standards and Content References

Voluntary National Content Standards in Economics:

- **Standard #1 : Scarcity;** Human Resources, Wants, Producers
- **Standard #3 : Allocation;** Economic Systems, Market Economy, Traditional Economy
- **Standard #4 : Incentives;** Choice, Incentives
- **Standard #6 : Specialization;** Division of Labor, Productive Resources

Partnership for 21st Century Life Skills Concept:

- Financial, Economic, Business and Entrepreneurial Literacy > Understanding the role of the economy in society

National Content Standards for Entrepreneurship Education:

- Ready Skills; C. Business Foundations; Business Concepts

Economics Vocabulary:

- **Economic system** – The system that countries establish to allocate their productive resources to provide for the wants and needs of its citizens/consumers. Systems fall into the following three categories:
- **Traditional Economies** – a system that answers the economic questions by following what has always been done in the past. These economies are usually characterized by subsistence living and limited trade.
- **Command Economies** – The answers to the basic economic questions are made by a central authority, usually “the state”.
- **Market Economies** – Economic questions are answered by buyers and sellers at mutually agreeable terms. Such economies are characterized by the decentralization of decision-making.
- Source: *EconEdLink.org* by the Council for Economic Education

Keystone Economic Principles™:

- For more information: http://infusionomics.com/wp-content/uploads/2010/06/Keystone_Cheat.pdf

Values and Goals of: "That's The Way We've Always Done It Ville"

Values: Your group is really concerned with the way things were done in the past. Position of authority, jobs, etc. are handed down according to tradition. You value the past and see no need for concern about increased economic growth in the future. Basically everything in your society is determined by beliefs and customs.

Goals: To produce what your ancestors did and in the same way that they did. Following tradition is your basic underlying goal.

Situation: With your present limited resources of string, beads, ruler, and scissors you can create either rings, necklaces, or bracelets. Your group gets \$10 (dollars) for each necklace, \$5 (dollars) for each bracelet and \$2 (dollars) for each ring. Your country has always produced bracelets so everyone must produce bracelets.

Production Each person must make the entire bracelet, no
Procedure: specialization of tasks. The person designated by the teacher will use the string, ruler, and scissors first and then pass it clockwise around the table. Each bracelet must be made with a 12 inch piece of string with 8 beads on it in this sequence: 3 red, 2 yellow, and 3 green. After the beads are on the string it should be tied in a knot to finish the bracelet. The knot should be neatly trimmed off, as done by past generations. After each bracelet is finished it must be passed around the group clockwise and each member must tell the maker how beautiful it is. (This is an old tradition of our country.) The maker then hands it to the quality control person who records the \$5 (dollars) if all procedures are followed correctly. According to tradition each person can only make 1 bracelet every 15 minutes before starting the second one. So after you complete your first one, relax for 15 minutes before starting the second one.

Values and Goals of: "We Do What We're Told Ville"

- Values:** You've accepted a government which is run by a very strict and strong central leadership group. You're highly organized and the people of your group are assigned specific tasks by the leader. Your country strives for efficient use of time and resources, which will increase economic growth and hopefully raise the standard of living. It is up to the central leaders to determine what is needed and how the resources will be used.
- Goals:** To produce what the central leadership finds necessary for your society. Also, there must be an efficient use of time and resources so increased production and growth will occur.
- Situation:** With your limited resources of string, beads, ruler and scissors you can create either rings, necklaces or bracelets. Your group gets \$10 (dollars) for a necklace, \$5 (dollars) for each bracelet and \$2 (dollars) for each ring. Your country needs 5 bracelets immediately, and then the central planners want necklaces to be produced by your group.
- Production Process:** The central planners emphasize specialization. The person sitting closest to the front of the room will be the string cutter, then going clockwise around the group, the next person will be the bead sorter, then the bead stringer, knot tier and knot trimmer. A bracelet must be made from a 12 inch piece of string with 8 beads on it, in this sequence: 2 red, 2 yellow, 2 blue, and 2 green. A necklace is made with a 20 inch piece of string and 10 beads in this sequence: 3 yellow, 3 blue, 2 green, and 2 red. After the beads are on the string it should be tied in a knot and the knot should be neatly trimmed. The finished product is then handed to the quality control person who marks down the dollar amount. Your group will receive \$10 (dollars) per person if the required quota is filled. After that, the dollars earned by your production will go to the central planners and will not be added to your total dollar amount.

Values and Goals of: "Make As Much As We Want Ville"

Values: Your country and economic system reflects values which center around rugged individualism. It is up to each person to make herself/himself more prosperous than other people. Your country produces whatever brings the highest price and produces it with the method that costs the least. Individual rewards and material incentives are used to encourage and stimulate continuous economic growth and production.

Goals: To produce whatever your group decides will be most beneficial for it. You will also want to organize yourselves so you can make the most efficient use of time and resources. Maximized profit is the key.

Situation: With your present limited resources of string, beads, ruler, and scissors, you can create either rings, necklaces, or bracelets. Your group gets \$10 (dollars) for a necklace, \$5 (dollars) for a bracelet and \$2 (dollars) for a ring. Your group produces whatever it wants.

Production Process: It is up to you to organize your group and choose jobs in whatever fashion you want. (You should have a string cutter, bead sorter, bead stringer, and knot tier). A ring must be made from a 6 inch piece of string with 4 beads in this sequence: 1 red, 1 yellow, 1 blue, and 1 green. A bracelet must be made from a 12 inch piece of string with 8 beads on it in this sequence: 2 red, 2 yellow, 2 blue, and 2 green. A necklace is made with a 20 inch piece of string and 10 beads in this sequence: 3 yellow, 3 blue, 2 green, and 2 red. After the beads are on the string it should be tied. You may trim the knot neatly if you want. After the tying is done the finished product must be handed to the quality control person. Your group will be paid in full for as many of the items as you can produce within the time limit.

Handout #4

Score Card

Team	Market	Command	Tradition
1.			
2.			
3.			
4.			
5.			
6.			

Handout #5

DEBRIEFING

	Market	Command	Tradition
Progress: Is it Stressed?			
Choice of Jobs			
Motivation to Produce (incentive structure)			
How to Produce (Degree of Specialization)			
What to Produce			
For Whom to Produce			
Base Values			

Formative Assessment Questions:

How are people's lives touched or affected by their economic system?

Which system(s) provide(s) a better opportunity for a higher standard of living and why?

Handout #6

ANSWERS

	Market	Command	Tradition
Progress: Is it Stressed?	(Highly Stressed)	(To Some Degree)	(Not at All)
Choice of Jobs	(Individual Preference)	(Government Directed)	(Custom Directed)
Motivation to Produce	High Self-gain	Limited Social Gain	Traditional Incentives
How to Produce (Degree of Specialization)	Least Cost Method	Least Cost Method	Traditional Ways
What to Produce	Whatever is Most Profitable	Whatever the Government Decides is Needed	Whatever was Traditionally Produced
For Whom to Produce	Highest Bidder	Those Declared in Need	Distributed by Custom
Base Values	Competition, Material Rewards, Self-gain, Freedom	Cooperation, "Moral" Rewards, Societal Gain, Governmental Decree	Custom, Traditional Ways and Beliefs

Which system is best? Explain. (This is a great lead into a discussion of basic economic goals such as growth, efficiency, stability and equity.)

Handout #7

Teacher Cheat Sheet

All:

- Rings
 - 6 inches
 - \$2
- Bracelets
 - 12 inches
 - \$5
- Necklace
 - 20 inches
 - \$10

Traditional:

- Only bracelets
- Each person makes one whole bracelet (no specialization)
- 8 beads
 - 3 Red
 - 2 yellow
 - 3 green
- Each bracelet must be passed around & each group member must tell the maker how beautiful it is
- 1 Bracelet every 15 minutes
- \$5 per person for each bracelet
- (Students in this group will finish early every time – allow them to chat loudly or to sing a traditional folk song or to make a show of relaxing.)

Command:

- Quota of 5 bracelets
- Then necklaces for the central planners
- Assigned tasks; clockwise starting with closest to the front:
 - string cutter
 - bead sorter
 - bead stringer
 - knot tier
 - knot trimmer
- Bracelet – 8 beads
 - 2 red
 - 2 yellow
 - 2 blue
 - 2 green
- Necklace – 10 beads
 - 3 yellow
 - 3 blue
 - 2 green
 - 2 red
- \$10 per person if all 5 bracelets are made

- Any \$ earned for necklaces goes to central planners not to the total (make a show of this when awarding the money and adding totals)

Market:

- They can organize however they want
 - string cutter
 - bead sorter
 - bead stringer
 - knot tier
- Ring – 4 beads - \$2
 - 1 red
 - 1 yellow
 - 1 blue
 - 1 green
- Bracelet – 8 beads - \$5
 - 2 red
 - 2 yellow
 - 2 blue
 - 2 green
- Necklace – 10 beads - \$10
 - 3 yellow
 - 3 blue
 - 2 green
 - 2 red