

Topic: Making economic decisions

Lesson: How the economy works	KS or Year Group: KS 3
Resources: <ol style="list-style-type: none">1. Resource 1 - Key words2. Long sheets of paper (wallpaper lining paper is ideal, but A3 halved landscape-style would do)3. Magazines, newspapers and/or internet access would be advantageous4. Glue and scissors	Outcomes: <ul style="list-style-type: none">• Students understand key connections and processes in the functioning of the economy.• The students are able to visualise the connections.

National Curriculum

Key Concepts: 1.2a

Range and Content: 3h

Lesson

This lesson looks at how people, businesses and the government are linked in terms of economic activity. For example, people work for businesses which pay tax, yet they also receive wages, spend wages in the wider economy and pay tax back to the government. Students are asked to visualise these processes at work.

Starter

- Brainstorm 'economy' as a class on the whiteboard. Ask the class to volunteer words that they associate with 'economy', such as money, banks, tax, etc. Put these as a web on the board.

Main activity

Students begin to deepen their understanding through sequencing and visualisation activities. These are based on **Resource 1 – Key words** and the brainstorm from the starter activity.

Activity 1:

- Give out copies of **Resource 1 – Key words**. Ask students to put the words into an order. As a process, in what order do the key words occur? This can be done in pairs or individually.

How the economy works

- Ask students to feedback on the order they've created with explanations of why they've ordered it that way. These orders and explanations can be recorded in their exercise books.
- Discussion can be held if students order theirs in an unexpected way and can give sensible explanations for their order. Equally, discussions following incorrect orders can follow, correcting the order in the process.

Activity 2:

- In this activity, students will create a banner-style flow chart. They will use their key words (now in the correct order) and add images that they draw or collect from magazines, newspapers or Google.
- Distribute blank banners made from lining paper or A3 paper. Give out glue and scissors.
- Students create their banners in pairs or individually. They should use their key words in the correct order and add images to match the connections that happen. For example, they could draw a job centre or hospital for services/benefits or could use a picture of high street shops for business/cost of living.

Plenary

The teacher should go through the order of the key words and draw out any important points or cross linkages. You might want to ask selected students to show their banners and explain the images used too, to emphasise the visual aspects.

Aim high

More able students can add to their key words. For example, to 'tax' they could add the types of tax, to 'business' they could add primary, secondary, tertiary or quaternary, or categorise businesses another way they are familiar with. They might add where the government spends the money and where people's earnings are spent.

Assessment

Assessment of the banners will demonstrate student's understanding. You can also set a homework of creating a circle using the key words, thus students must create a correct order and show links. The students can use lines within the circle to show developed understanding of how links are found between more than two words and in more than just linear ways.

Check the web

<http://www.ukinvest.gov.uk/Information-sheets/4018290/en-GB.html>

Information which might be good teacher background reading, summarises key aspects of UK economy.

Summary of learning

- Students understand the processes that comprise the economy.
- Students can visualise what these are and how they are interlinked.

Resource 1 – Key words

people who work

income

business

wages

income tax

corporation tax

national insurance

government

spending on local facilities & services

benefits

people who do not work

spending on 'cost of living'