

Principles of Trade Class Activity (45 to 60 minutes)

This game illustrates key trade principles, including opportunity cost, comparative advantage, and free trade.

MATERIALS NEEDED: 5 dice, 1 set of playing cards per team, Post-it notes

GOAL: The goal of this game is to get as many playing sets (1 heart, 1 spade, 1 club, and 1 diamond from each suit) as possible. Whoever gets the most full sets will get extra credit.

RULES: Each team must produce or trade for at least one of each suit per turn.

In each round the team may:

- Decide how you want to allocate your production. What suits are you going to purchase?
- Negotiate trade alliances.
- Trade with other teams.

HOW TO SET-UP:

Divide the class into teams (teams of 2 to 4 work well). Have each team write their team number on the Post-it note to wear like a name badge.

Each team will come up with a name (their best economics rock band name is encouraged).

Each team should also designate a “runner” to come to the front of the class to roll dice and turn in cards.

Draw a grid on the board with columns for Total, Hearts, Spades, Clubs, Diamonds, & Score.

| | TOTAL | Hearts | Spades | Clubs | Diamonds | SCORE |
|--------------|-------|--------|--------|-------|----------|-------|
| Team Name #1 | | | | | | |
| Team Name #2 | | | | | | |

Each team’s designated runner will come to the front of the class and roll five dice. The numbers on all five dice will be added together to determine the team's total production for that round. This total represents the amount the team can "spend" during the round. The possible production range is from 5 to 30.

Next, the team runner will roll four dice—one for each suit (hearts, diamonds, clubs, and spades). The number on each die represents the production cost for that suit. Each suit's cost will range from 1 to 6.

| | TOTAL | Hearts | Spades | Clubs | Diamonds | SCORE |
|--------------|-------|--------|--------|-------|----------|-------|
| Team Name #1 | 25 | 6 | 3 | 4 | 1 | |
| Team Name #2 | 20 | 2 | 3 | 5 | 4 | |

At the beginning of each round, each team must decide what suits they want to produce. The runner will then come to the front of the class to get their cards.

At the end of the round, the runner will again come to the front of the class to turn in their full sets of cards. Each full set of cards is worth 1 point and only full sets of cards receive points. You may keep your surplus cards for the next round.

GAMEPLAY:

This game is played in 3 rounds.

Round 01: Closed economy. You must produce everything yourself. There is no trade negotiation or trade this time.

Round 02: Free Trade. There are no restrictions. You may trade with whichever team you would like.

Round 03: Trade restrictions. There will be restrictions on who you may trade with or how much you may trade. Each team will get a restriction.

REMEMBER: The goal of this game is to get as many sets of cards as possible.

DISCUSSION QUESTIONS:

Round 1

- How did the lack of trade impact your team's ability to complete sets? Show of hands how many teams were unable to complete a full set of cards this round.
- Were there any resources that your team had too much or too little of? How did you handle that?

Round 2

- How did trade affect your ability to complete sets compared to Round 1?
- What strategies did your team use when deciding what to produce and trade?
- How did you decide who to trade with? Who were your allies?

Round 3

- How did the restrictions impact your team's success?
- Were some teams at a disadvantage because of the trade barriers? How?
- How did restrictions change the way your team negotiated or strategized?

Overall

- Which trade system (closed economy, free trade, or restricted trade) was most efficient? Why?

Trade Restriction Suggestions:

You can either have pre-printed cards with these or assign them based on how the game is going and what the rolls of the dice showed. It's a good idea to write these on the board next to each team.

If you have time and want to extend the game, you can do two rounds with trade restrictions. In the first trade restriction round, they are caught off guard. In the second trade restriction round they better know the “rules” and have a chance to plan around the restriction.

EXAMPLES OF RESTRICTIONS

You may NOT trade with Odd-numbered teams

You may NOT trade with Even-numbered teams

You must trade away a MINIMUM of 2 Clubs

You must trade away a MINIMUM of 2 Diamonds

You may trade a MAXIMUM of 3 Hearts

You may trade a MAXIMUM of 3 Spades

You must trade at least 2 cards with Team 1

You may NOT trade with Team 3