

Ox-Cart Man

By Donald Hall / ISBN: 0-14-050441-9

Lesson Author

Andrea J. Caceres-Santamaria, Federal Reserve Bank of St. Louis

Standards and Benchmarks (see page 23)

Lesson Description

Students listen to the story *Ox-Cart Man* in which a father and his family use various resources to produce goods. As you read the story aloud to the students, place special emphasis on identifying both how it takes resources to make goods and who buys the goods in a market. Students will then participate in a simulation of the circular flow of the economy. They will use examples from the story to apply the concepts learned and model how the circular flow shows the interdependence between people and businesses in the resource and goods/services markets.

Grade Level

2-3

Concepts

- Business
- Circular flow
- Consumer
- Goods
- Income
- Markets
- Money
- Resources (natural, capital, and human)
- Saving
- Services

Objectives

Students will be able to

- define business, consumer, goods, money, and resources;
- provide examples of resources;
- identify the product market and resource market in the circular flow; and
- explain a simple circular flow diagram.

Compelling Question

How does the circular flow model show market interactions between people and businesses?

Time Required

Day 1: 30-45 minutes

Day 2: 20-35 minutes

Materials

- *Ox-Cart Man* by Donald Hall (ISBN: 0-14-050441-9)
- Visuals 1-5, one copy of each for the teacher to display
- Handout 1, one copy for each student
- Handout 1 Answer Key, one copy for the teacher
- Handouts 2 and 3, one copy of each
- Handouts 4 and 5, one copy of each, cut apart
- Handout 6, one copy for each student observing the activity
- Handout 7, one copy for each student
- Single hole punch
- String
- Scissors

Preparation

- Visual 1 will be posted on the board. Visuals 2-5 can be displayed either under a document camera or posted on the board.
- For Handouts 2 and 3, use a single hole punch to make two holes at the top of each copy. Tie the string so that two students can each wear a label as a necklace.

- For Handout 4, cut and fold so that 4-5 students can each get a card with a resource on one side and mittens on the other.
 - For Handout 5, cut and fold so that 4-5 students can each get a card with “Money/Income” on one side and “Spending Money” on the other.
 - For Handout 6, fold each copy so that “Resource Market” is on one side and “Goods/ Services Market” is on the other.
-

Procedure

Day 1

1. To introduce the lesson, ask the students to identify the materials used to make their backpacks. (*Answers will vary but may include plastic, cloth, glue, metal for the zipper, or Velcro®.*) Discuss the following:
 - Where did you get your backpack? (*Some students may answer from their parents, but guide them toward naming a business such as a store, and as they name specific stores, emphasize that stores are businesses.*)
 - Are people involved in the process of making backpacks? (*Answers will vary. Guide students to the fact that at some point in the production process people were involved.*)
2. Explain that materials, such as those that go into making backpacks, pencils, and crayons, are **resources**. These resources can be natural, capital, or human. Explain the following:
 - **Natural resources** are things that occur naturally in and on the earth that are used to produce goods and services.
 - **Capital resources** are goods that have been produced and are used to produce other goods and services. They are used over and over again in the production process; also called capital goods and physical capital.
 - **Human resources** are people who do mental and/or physical work to produce goods and services.
 - **Goods** are objects that satisfy people’s wants, such as pencils, playdough, markers, and toys.
 - **Services** are actions that can satisfy people’s wants, such as cashiering, carpentry, fire-fighting, healthcare, and hairstyling.
 - People sell resources to businesses. Tell the students that their parents are human resources when they go to work for a business. Their parents agree to work for a business and the business agrees to pay them. People are part of the production process. For example, a baker at the supermarket produces cookies that the supermarket sells. People also sell other resources to businesses, such as tools, machinery, and materials to make goods and services.

3. Ask the students what they would wear on their hands on a cold day. (*Gloves, mittens*) Display a copy of *Visual 1: Mittens* by posting it on the board. As a review, ask the students to name the resources that businesses use to produce mittens. As they call out resources, write them around the visual with arrows pointing to the visual to exemplify what goes into producing the mittens. Once students have finished naming resources, display *Visual 2: Boy with Cold Hands* and discuss the following:
 - What does the boy need so that his hands are not cold? (*Mittens*)
 - Where can he buy the mittens? (*A business, a store*)
4. Display a copy of *Visual 3: Boy with Mittens*. Point out that the boy is happy because he has mittens and his hands aren't cold. Explain that when the boy goes to the store to buy his mittens, he is a consumer. People who buy goods and services to satisfy their wants are **consumers**. For further clarification, encourage the students to think of times when they or their families are consumers and of what they buy and then use, such as food, pens, markers, coloring books, or even classroom sets of consumable workbooks.
5. Tell the students that you are going to read them a story called *Ox-Cart Man*. As you read the story, encourage the students to identify the resources mentioned and what the ox-cart man's family produced with those resources.
6. After reading the story, distribute a copy of *Handout 1: Ox-Cart Man Review* to each student. Explain that they are going to complete various activities that relate to the story they just heard. Instruct the students to complete the tasks in order. You can choose to review the answers as provided in *Handout 1: Ox-Cart Man Review—Answer Key* as they finish each task or once they complete all six.
7. Explain that the exchange of resources, goods, and money are all part of something called the circular flow of the economy. The **circular flow** of the economy shows how resources, money, goods, and services are exchanged between businesses and consumers. Work through the following:
 - The circular flow of the economy includes a market for businesses to buy resources and a market for people to buy goods and services.
 - When people go to the market to buy goods and services, they are consumers. **Markets** are where buyers and sellers come together to exchange goods, services, and/or resources.
 - What are some examples of markets? (*Supermarket, flea market, shoe store, toy store, online store*)
 - A **business** is an organization that produces the goods and services that are sold to consumers in the market.
 - Businesses need resources to make the goods and services that are sold in markets.
 - The market in which businesses buy resources is the resource market.

- The market in which people buy goods and services is the goods and services market.
 - Businesses need to sell their goods and services so that they have money to pay for the resources they use to produce the goods and services. **Money** is anything widely accepted in exchange for goods and services.
 - The circular flow shows how people and businesses make exchanges in these markets.
8. Display a copy of *Visual 4: Resource Market* and work through the following:
- In this diagram, people are on the left-hand side of the Resource Market. These are people like a teacher, a principal, a doctor, your neighbors, your parents, and other family members. Businesses are on the right-hand side of the Resource Market. These are businesses like a bakery, a supermarket, or a sandwich shop.
 - The arrows in this bottom half of the circular flow show us that people sell resources to businesses and that businesses pay the people for the resources. This part of the circular flow is the Resource Market. When a business pays people for resources, this payment is income.
 - Ask the students if they have ever done a task such as a chore and were paid money in return. Explain to the students that when they do the work, they are selling a resource to whoever is paying them. For example, if your parents pay you for finishing a chore, they are playing the role of the business and you are the human resource they pay for. The money you receive is called **income**. People use income to buy things and to save. **Saving** is putting money away for later use.
9. Display a copy of *Visual 5: Goods/Services Market*. Work through the following, pointing out the two arrows in this top half of the circular flow:
- The people who sold their resources to the business now have money they made—their income. And, they can spend their income.
 - The arrow from the people to the business represents people buying goods and services.
 - What do we call people who buy and use goods and services? (*Consumers*)
 - So, the arrow from the people to the business represents consumers. When consumers buy goods and services, they pay for them with money—with some part of their income.
 - Goods and services come from the business to the people/consumers. The money consumers use to pay for the goods and services goes from the consumers to the businesses.
 - What types of goods and services have you bought with money you earned for doing chores? (*Answers will vary but may include a toy, book, or snack.*)

Day 2

10. Remind the students that they read a story about an ox-cart man and learned about the circular flow. Explain that they are going to participate in an activity where they bring the circular flow to life. Choose 1 volunteer to represent people, 1 volunteer to represent business, 4-5 volunteers to represent resources/mittens, and 4-5 volunteers to represent money/income and spending money.
11. Distribute the label from *Handout 2: People* to the student representing People and the label from *Handout 3: Business* to the student representing Business. Place the students toward the front of the room and make sure that when the class is facing them, the student representing People is on the left and the student representing Business is on the right. Leave enough room so that student volunteers can walk in a circle during the simulation.
12. Distribute a card representing one of the different resources—knitter, spinning wheel, wool, sheep, or yarn—from *Handout 4: Resource/Good Cards* to each student representing resources/mittens. Note that each resource has a mitten on the reverse side. For Round 1, make sure that students have the resource side facing out.
13. Distribute a card from *Handout 5: Money/Income and Spending Money Cards* to each student representing money/income and spending money. For Round 1, make sure that students have the money/income side facing out.
14. Distribute a copy of *Handout 6: Identify the Market* to each of the students observing the simulation. Make sure the handout is folded so that each market displays on its own side. Tell the students that their role is to identify which type of market—resource market or goods/services market—is being demonstrated during the simulation. Explain that when you ask them to identify the market, they should hold up the side that identifies the market they believe is correct.
15. **Round 1:** For this round, student volunteers will simulate the Resource Market. Review with the students the types of resources needed to produce mittens. The students representing the resources should hold up their cards when the resource they have is named.
16. Direct the students representing the resources to line up on the People side, and direct the students representing money/income to line up on the Business side. Before beginning the simulation, discuss the following:
 - Are resources free? (*Resources are not free.*)
 - Who will sell resources? (*People will sell resources.*)
 - What will people want in return for selling their resources? (*Money/income*)
 - Who will buy resources? (*Businesses*)
 - What will businesses do with resources? (*They will use resources to make their goods.*)

17. Explain to the students that in this simulation the product they are producing is mittens, like the ones in the story *Ox-Cart Man*. The goal for the students on the People side is to sell their resources to the Business and earn income; they will use their income to buy mittens in a later round. The goal for the students on the Business side is to buy resources from People and use the resources to make mittens, which they will sell to People in Round 2. To prepare for the activity, work through the following:
 - Remind the students that no one should move until they are told to do so.
 - Model how the students will move from one side to the other during the activity. Have one student from the People side and one student from the Business side ready to help you show how it will work.
 - Explain that just as students identified earlier, people have to go to a business to sell their resources, so the students on the People side representing resources will walk toward the Business side. The students on the Business side representing money/income will walk toward the People side. Each student will walk one at a time. Technically, the students coming from the People side will walk to their left (counterclockwise), and the students coming from the Business side will walk to their right (clockwise). When walking, students should come to a point where they are side by side (halfway between People and the Business) and able to trade their cards.
 - Tell the students that as they trade, the students from the People side should state, “I am selling my resource to a business for income.” And the students from the Business side should state, “I am buying this resource to make mittens. I am paying the person money.”
18. To begin Round 1 of the simulation, instruct one student from each side to start walking from their side to the other; the moment they meet side by side, the students should trade their cards with one another. This will represent People selling their resource to the Business that produces a good, and the Business paying People for the resource. Each student will only trade with one other student. The moment the students complete their trade, they will return to the side they came from.
19. Once every student has traded, ask the students in the audience to decide which market they just observed and to hold up their cards with the answer. (*Students should display “Resource Market.”*)
20. Tell the students on both the People and Business sides to flip their cards over. For example, the students who just sold the resource will show that their income now becomes spending money, so they will flip their cards over to the side that displays “Spending Money.” The students who returned to the Business side who just purchased a resource will flip their cards over to the side that displays the mittens. The simulation of the Resource Market can be done one more time to review the concepts.

21. **Round 2:** For this round, student volunteers will simulate the Goods/Services Market. Students who are now displaying the mittens are going to sell their goods to the students standing on the People side; those who have spending money will buy the goods from those on the Business side. Before beginning the simulation discuss the following:
- Who will sell goods? (*Businesses*)
 - Who will buy the goods? (*People, consumers*)
 - What will people need to buy goods? (*Money/income, spending money*)
 - How did people earn spending money? (*By selling resources to businesses*)
 - What did businesses produce with the resources? (*Mittens*)
22. Make sure that the students standing on the People side have their cards showing “Spending Money” and that the students on the Business side have their cards showing the mittens. Work through the following:
- Explain that just as the students identified before, people have to go to a business to buy a good, so the students on the People side representing spending money will walk toward the Business side. The students on the Business side representing goods (mittens) will walk toward the People side. Each student will walk one at a time. Technically the students coming from the People side will walk to their right (clockwise), and the students coming from the Business side will walk to their left (counterclockwise). When walking, the students should come to a point where they are side by side (halfway between People and the Business) and able to trade their cards.
 - Tell the students that as they trade, the students on the People side should state, “I am buying mittens from a business.” And the students on the Business side should state, “I am selling mittens to this person.”
23. To begin Round 2 of the simulation, instruct one student from each side to walk from their side to the other; the moment they meet side by side, students should trade their cards with one another. For review, as they trade, the students on the People side should state, “I am buying mittens from a business.” And the students on the Business side should state, “I am selling mittens to this person.” This will represent People using their spending money to buy mittens from the Business and the Business selling mittens to People in exchange for money. Each student will only trade with one other student. The moment the students complete their trade, they will return to the side they came from.
24. Once every student has traded, ask the students in the audience to decide which market they just observed and to hold up their cards with the answer. (*Students should display “Goods/ Services Market”*)
25. Tell the students on both the People and Business sides to flip their cards over. For example, the students who just bought the mittens will show the resource they now have that they can

sell again to make more money. The students who just sold the mittens will flip their cards to display “Money/Income.” Discuss the following:

- What will people do once again with the resources? (*They will sell them to a business for income so that they can have more spending money.*)
- What will businesses do once again with the money/income? (*They will use it to pay for more resources to make more mittens.*)

26. The simulation of the Goods/Services Market can be done one more time to review the concepts.

Closure

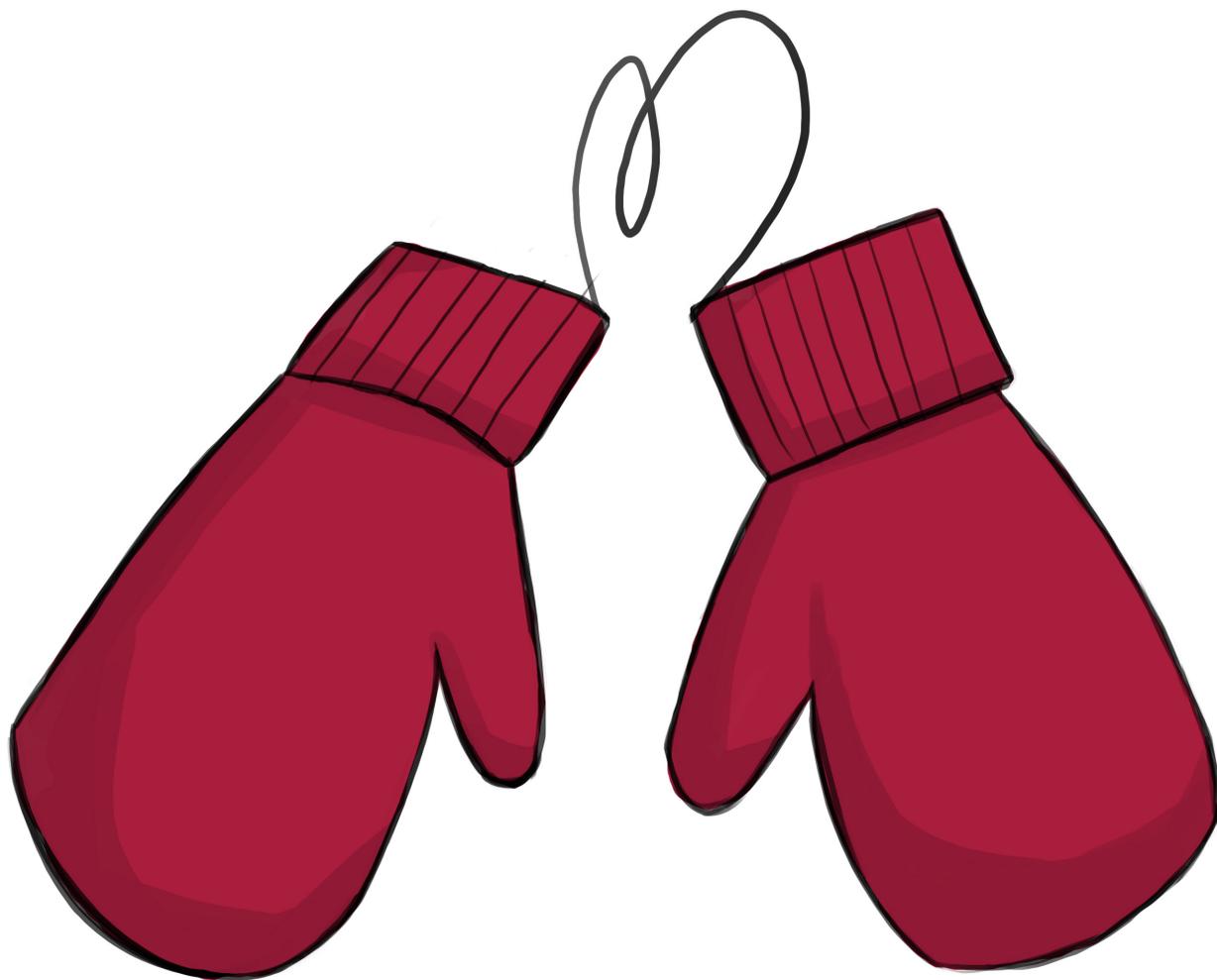
27. Instruct the student volunteers to return to their seats with the cards they currently have. Display Visuals 4 and 5 again so that they connect and show the full circular flow of the economy. Discuss the following, asking the students who represented the various parts in the activity to stand when their role is the correct answer to the question:

- Who sells resources? (*People: The student with the People label and the students with resource cards should stand.*)
 - Who buys resources? (*Businesses: The student with the Business label and the students with money cards should stand.*)
 - What do we call the market in which people sell resources and businesses buy resources? (*Resource Market: The students with these cards should stand.*)
 - Who makes goods and services? (*Businesses: The student with the Business label and the students with money cards should stand.*)
 - Who buys goods and services? (*People: The student with the People label and the students with resource cards should stand.*)
 - What do we call the market in which people buy goods and services from businesses? (*Goods and Services Market: The students with these cards should stand.*)
-

Assessment

28. Distribute a copy of *Handout 7: Assessment—Draw Your Own* to each student. Explain to the students that they will use the blank template of the circular flow to show what they have learned. Students will draw pictures in the blank boxes that would correctly show how the circular flow works based on what they learned in the simulation.

Visual 1: Mittens



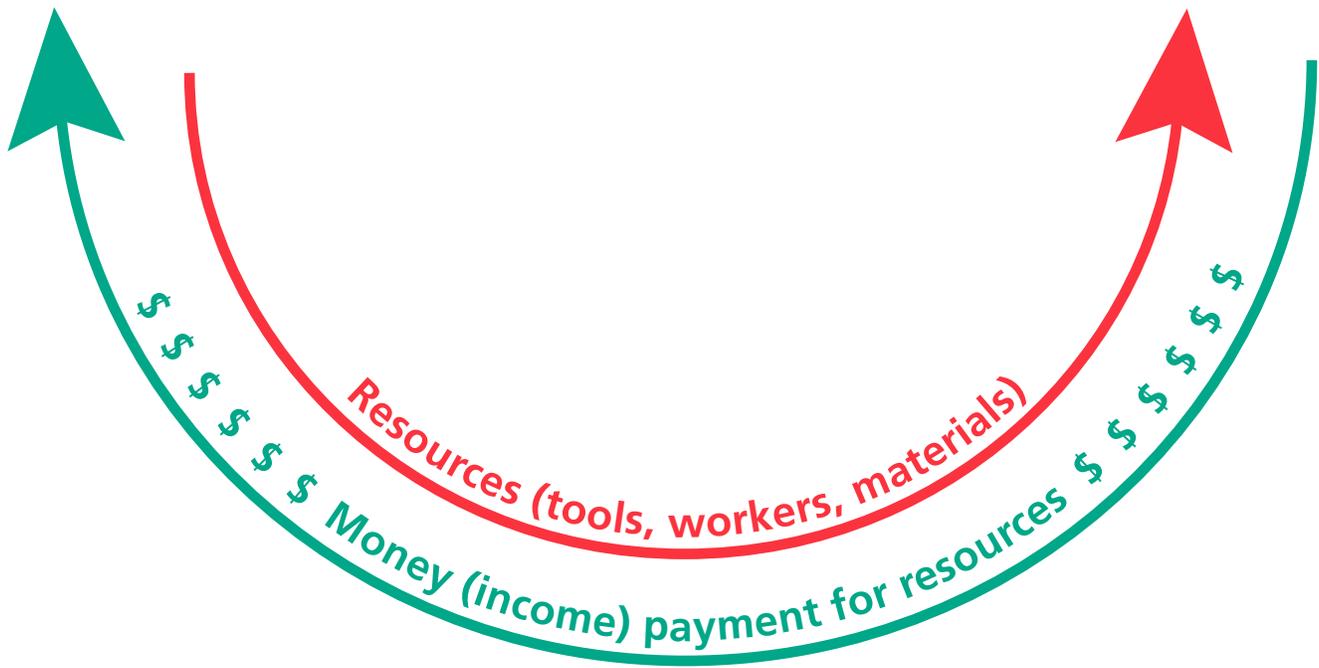
Visual 2: Boy with Cold Hands



Visual 3: Boy with Mittens

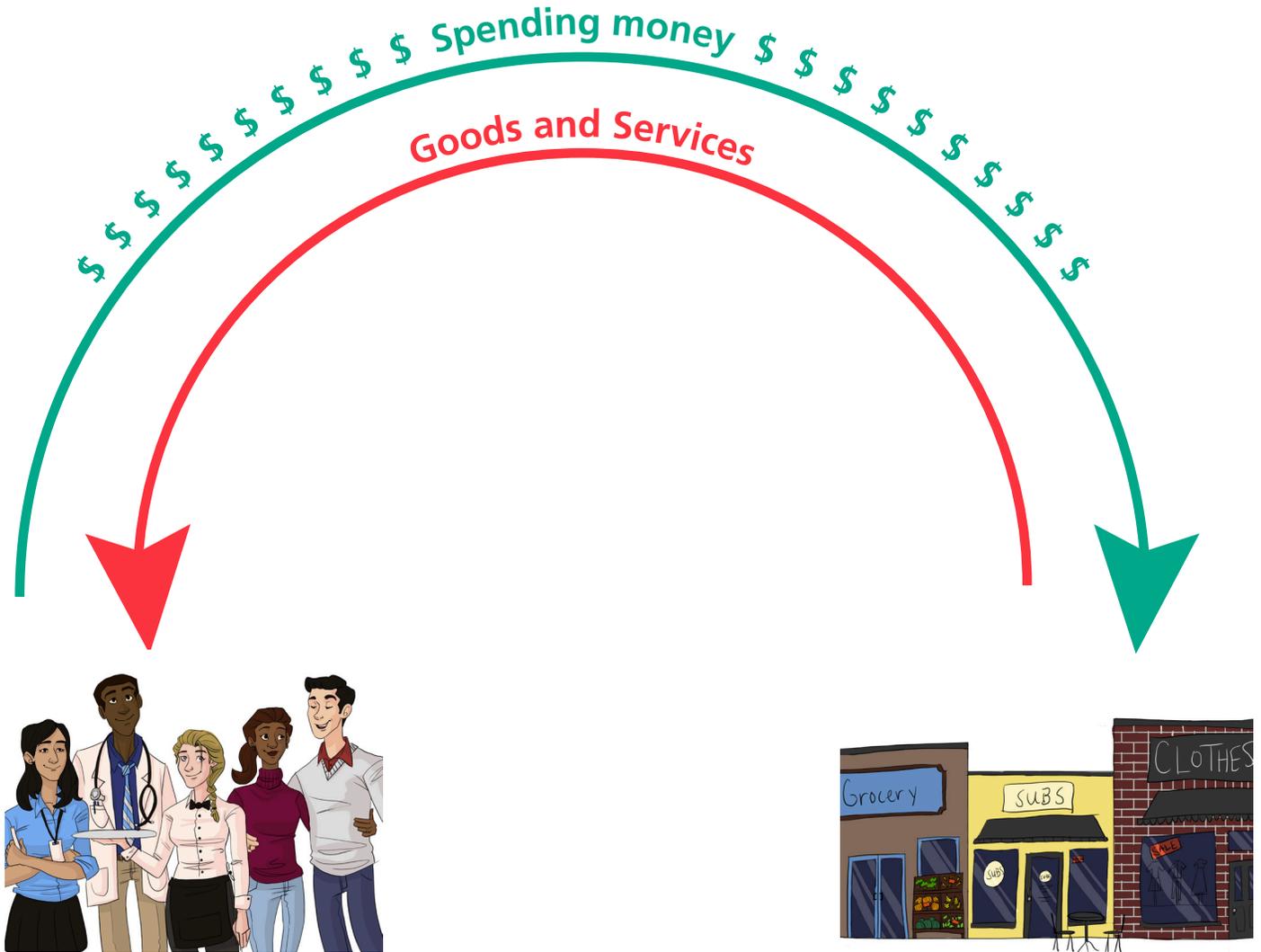


Visual 4: Resource Market



Resource Market

Visual 5: Goods/Services Market



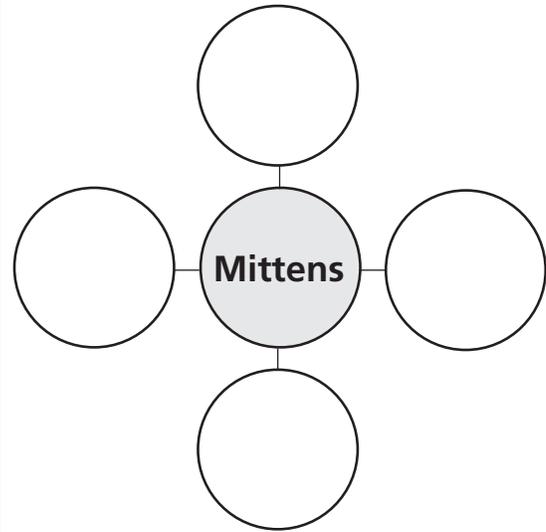
Goods/Services Market

Handout 1: Ox-Cart Man Review

1. Number these events from the story in order, with 1 happening first to 4 happening last.

- ___ The dad arrived at the market.
- ___ The dad packed mittens, brooms, and a shawl.
- ___ The family made mittens, brooms, and a shawl.
- ___ The dad sold the mittens, brooms, and shawl at the market.

2. In each circle, write the resources the family used to make mittens



3. Which of these best describes consumers?

- a. People who make goods
- b. People who buy goods and services to satisfy their wants
- c. People who go to work

4. Fill in the blanks below.

The daughter knit mittens using the wool her dad got from the sheep.

The son carved brooms with a knife.

The mother made a shawl from the wool the dad got from the sheep.

- a. The wool was used to make _____ and _____.
- b. The son used a knife to carve _____.
- c. The dad got _____ from the sheep.

5. Draw a line from each word to the image or images it best matches.



Resources



Goods



Business

Consumer



6. Fill in the blanks with a word from the Word Bank that best completes each statement.

- a. A natural resource is _____ .
- b. _____ sell resources.
- c. _____ buy resources.
- d. _____ are people who buy goods.
- e. A capital resource is the _____ .
- f. _____ is paid for resources
- g. The _____ is a good.

Word Bank

- Businesses
- Wool
- People
- Consumers
- Money
- Knife
- Shawl

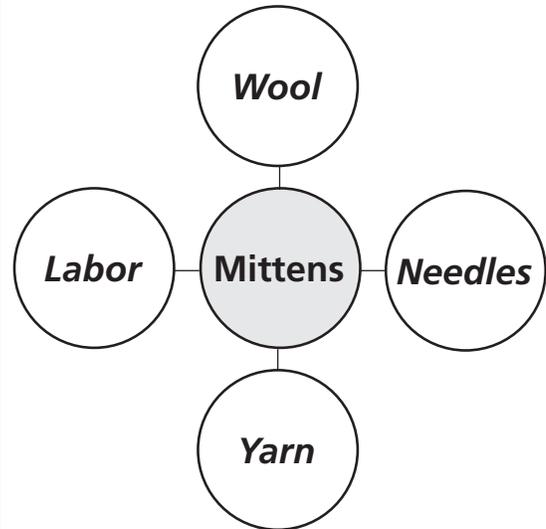
Handout 1: Ox-Cart Man Review—Answer Key

1. Number these events from the story in order, with 1 happening first to 4 happening last.
- 3 The dad arrived at the market.
 - 2 The dad packed mittens, brooms, and a shawl.
 - 1 The family made mittens, brooms, and a shawl.
 - 4 The dad sold the mittens, brooms, and shawl at the market.

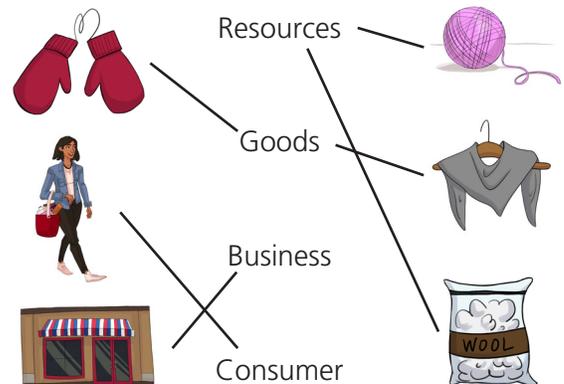
3. Which of these best describes consumers?
- a. People who make goods
 - b. People who buy goods and services to satisfy their wants**
 - c. People who go to work

4. Fill in the blanks below.
- The daughter knit mittens using the wool her dad got from the sheep.
- The son carved brooms with a knife.
- The mother made a shawl from the wool the dad got from the sheep.
- a. The wool was used to make **mittens** and **a shawl**.
 - b. The son used a knife to carve **brooms**.
 - c. The dad got **wool** from the sheep.

2. In each circle, write the resources the family used to make mittens



5. Draw a line from each word to the image or images it best matches.



6. Fill in the blanks with a word from the Word Bank that best completes each statement.
- a. A natural resource is **wool**.
 - b. **People** sell resources.
 - c. **Businesses** buy resources.
 - d. **Consumers** are people who buy goods.
 - e. A capital resource is the **knife**.
 - f. **Money** is paid for resources
 - g. The **shawl** is a good.

Word Bank

Businesses Wool People Consumers
Money Knife Shawl

Handout 2: People



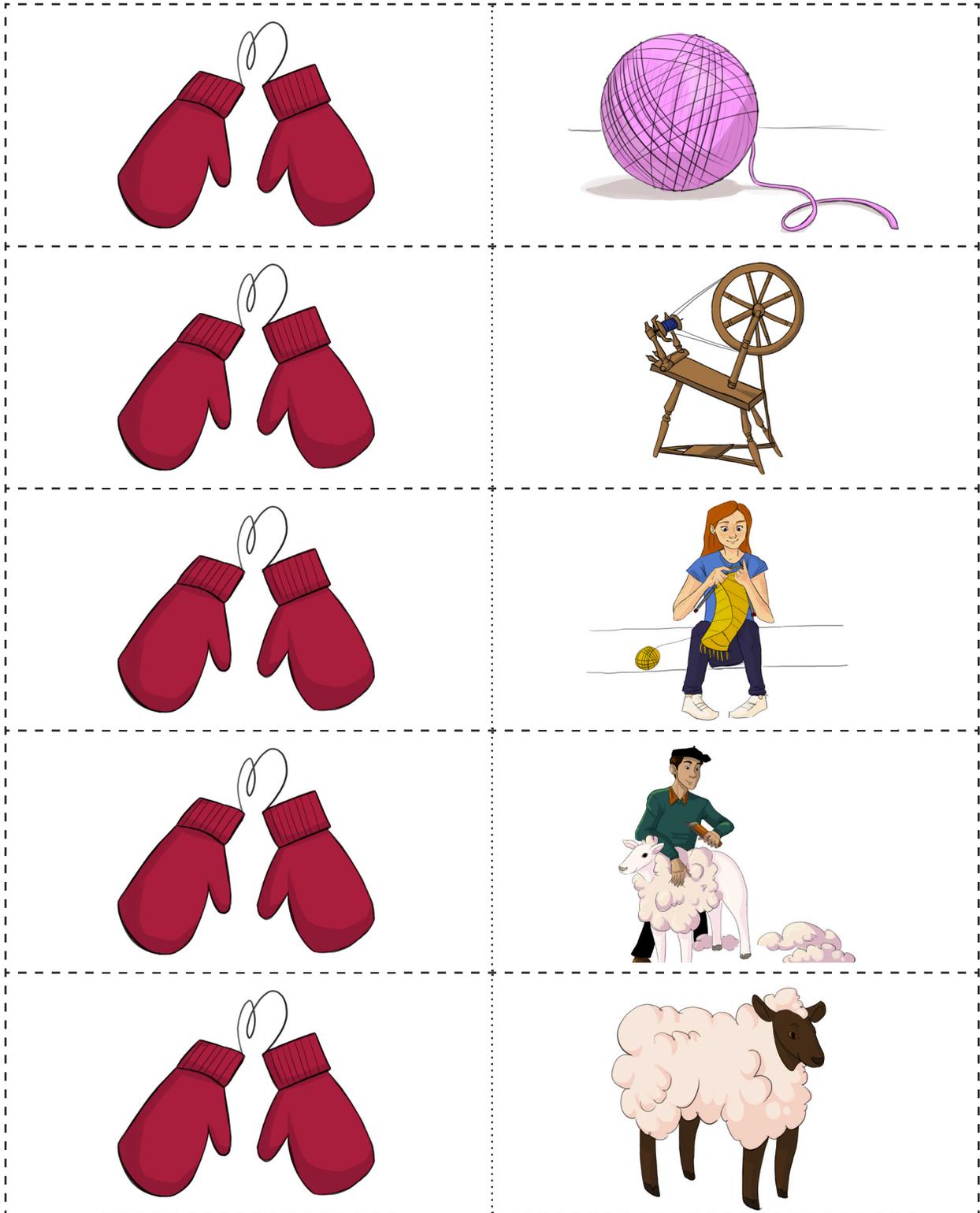
People

Handout 3: Business

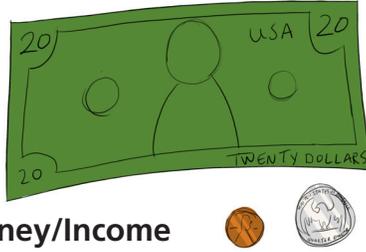
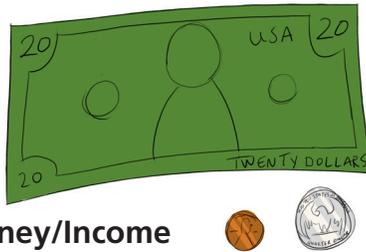
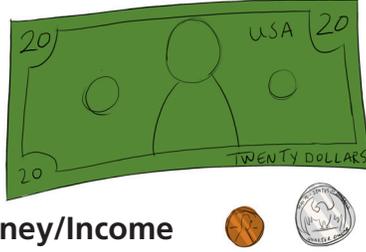
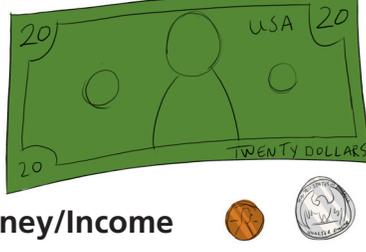


Business

Handout 4: Resource/Good Cards



Handout 5: Money/Income and Spending Money Cards

 <p>Money/Income</p>	<p>Spending Money</p> 
 <p>Money/Income</p>	<p>Spending Money</p> 
 <p>Money/Income</p>	<p>Spending Money</p> 
 <p>Money/Income</p>	<p>Spending Money</p> 
 <p>Money/Income</p>	<p>Spending Money</p> 

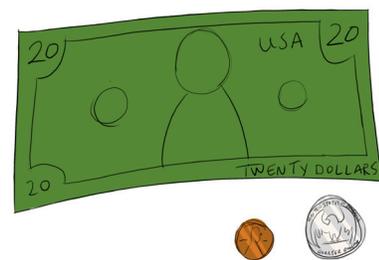
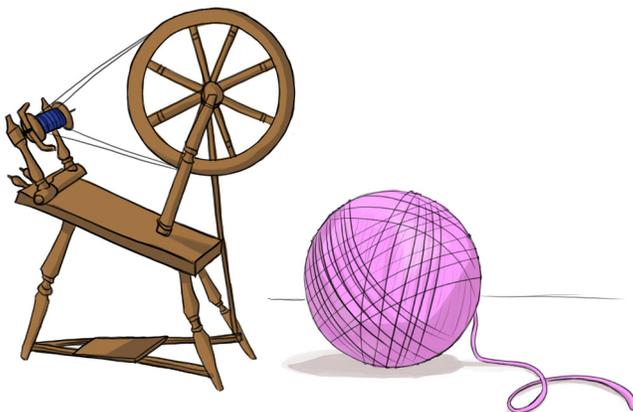
Handout 6: Identify the Market

Spending Money



Goods/Services Market

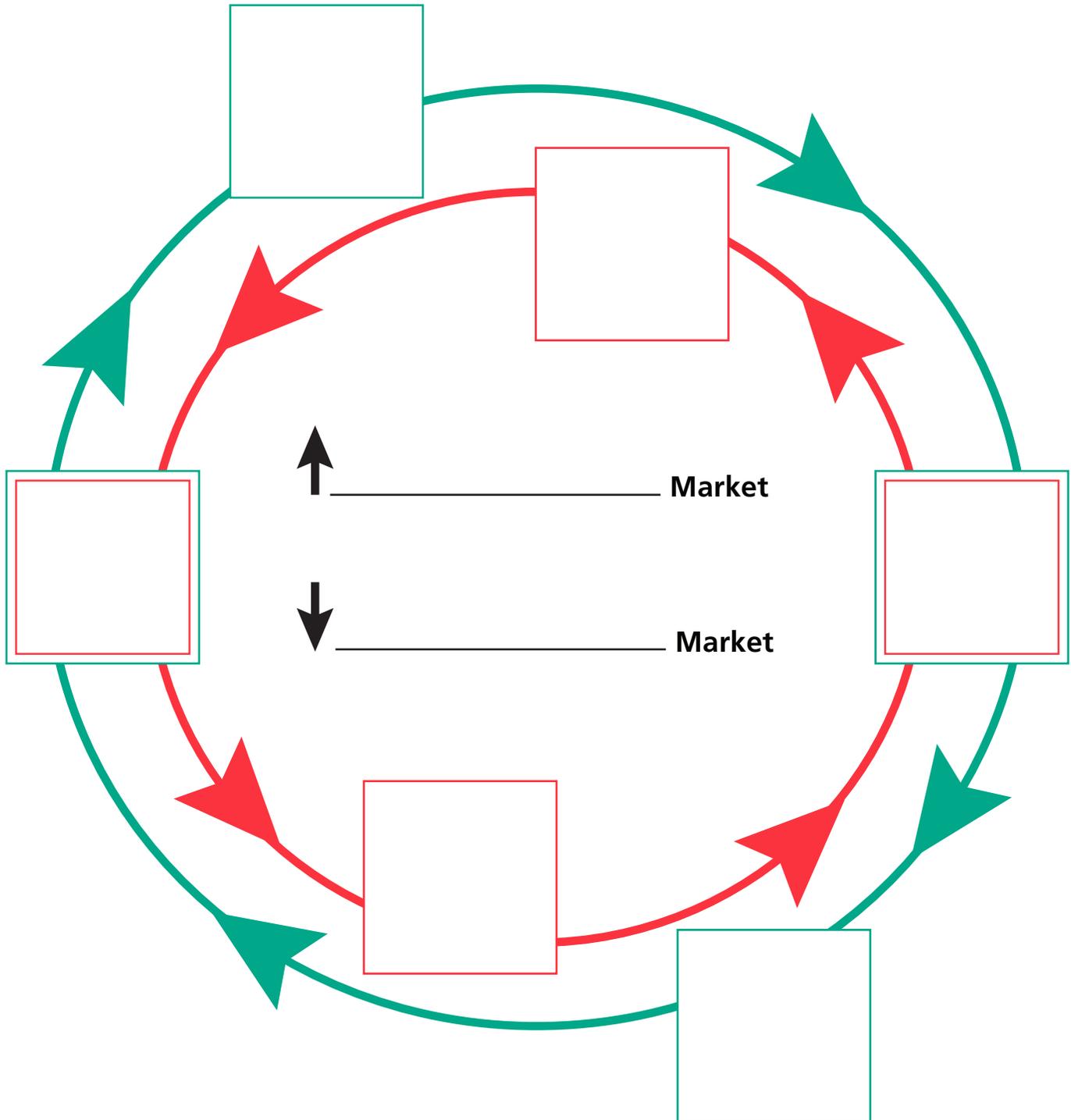
Resource Market



Money/Income

Handout 7: Assessment—Draw Your Own

Directions: In the blank boxes, draw pictures that would correctly show how the circular flow works. Label the markets.



Standards and Benchmarks

Voluntary National Standards in Economics

Standard 1: Scarcity

- **Benchmarks: Grade 4**

3. People's choices about what goods and services to buy and consume determine how resources will be used.
6. Productive resources are natural resources, human resources, and capital goods available to make goods and services.
8. Human resources are the people who do the mental and physical work to produce goods and services
9. Capital goods are goods that are produced and used to make goods and services
11. Most people produce and consume. As producers, they help make goods and services; as consumers, they use goods and services to satisfy their wants.

Standard 18: Economic Fluctuations

- **Benchmark: Grade 8**

5. When consumers make purchases, goods, and services are transferred from businesses to households (people) in exchange for money payments. That money is used by businesses to pay for productive resources (natural, human, and capital).

Common Core

Social Studies Standards: Grade 2

SS.2.E.1.2 Recognize that people supply goods and services based on consumer demands.

SS.2.E.1.4 Explain the personal benefits and costs involved in saving and spending.

Literacy Standards: Grades 1 and 2

RL 2.5 Describe the overall structure of a story, including describing how the beginning introduces the story and the ending concludes the action.

RL 1.1 Ask and answer questions about key details in a text.