Fifth Lesson:

Objective: The students will reinforce their knowledge of the economic concepts they have learned this year by using them to solve a mission. They will have a better grasp of the vocabulary we have taught them and be able to apply them to a real world situation.

Materials:
1. Warm up exercise
2. Paper for taking notes

Warm Up
To review all the vocabulary terms, give the students a worksheet where they match the terms to a definition. Have them work with a partner to help them remember. This is very important because we will use all their vocabulary terms extensively throughout this lesson.

Lesson
Class will be divided up into three groups. Each group represents a team on the Impossible Task Force in Economics or ITFE. Before beginning, the teams will be given a briefing on what their mission is going to be.

Briefing: Students, congratulations! Your training for the ITFE is almost complete. In order to be considered as full time agents you must complete a very important mission. This mission will draw on the economic tools you have acquired during your training. The world is currently engaged in the Second World War and the United States has contacted the ITFE for help. Pearl Harbor was recently attacked by the Japanese and the United States has decided to enter the conflict. However, there are many economic issues to consider when entering a war and because of your extensive training in economics, the ITFE has selected you for a very important task. You must decide what the United States should do regarding its economy during the war. You must figure out how to deal with certain scarce resources. Each team will be assigned an experienced agent to help guide you during this mission. Good luck and remember the ITFE is counting on you!

We will begin by discussing the problem of scarcity during a war. Each group will decide on one plan for each of the four scarce resources we talk about below. One group member will be assigned secretary and write down their plan in order to present it later. If time, we will ask the students what other resources they can think of that might be scarce during the war.

Some examples of resources that will be scarce when the United States goes to war:
- Oil
- Human labor
- Food
- Factories

Discuss with the students why these resources will be scarce. (Oil will be needed to fuel planes, tanks, trucks, and other military vehicles. Human labor will be scarce because people might be drafted to fight in the army. Food will be sent overseas to feed the soldiers. Factories will be
converted to make war materials.) Have them come up with ways the United States can cope with the problem of scarcity. Prompt them with questions like:

**Oil:** What do people in the United States need oil for? We need gas for our cars. What could the country do if that resource becomes scarce? Should we encourage people to carpool, walk or bike? Should we ration gasoline? What about supply and demand? How will the supply of oil be affected during the war? Will there be a greater demand for oil? What does this do to the price of oil? Refer students back to the graphs we made for supply and demand and look at how price changes as supply and demand changes. Have students shift the supply line down and the demand line up on their graphs and see what happens to price. What happens to the market equilibrium?

**Human Labor:** Remember, at this time it wasn’t common for many women to work like they do today. Should we encourage women to get jobs? How does that affect families? Should we allow students in high school to drop out and get jobs early? Where else could we find human labor? Who has the comparative advantage at these jobs? How will this affect the country if its workforce is depleted and we have to bring in brand new workers?

**Food:** Can we begin to just make more food? Should we ration what we have? Should we encourage people to grow their own food? Talk about the difference between the long run and short run. In the long run we might be able to build more farms for growing more food but that will take a long time and we need to think what the US can do in the short term to solve this problem.

**Factories:** Can the United States build more factories? Or should we convert some factories to make war materials? Discuss opportunity cost. What is the opportunity cost of making war materials? What products can the US go without in order to use the factories for making war materials?

Remind the students through all this of the concept of choices. We talk about choices when we talk about scarcity because the United States has to make a choice on how to solve this scarcity problem. We make our choices based on opportunity cost. As the students come up with ideas about how to solve the problem of scarcity, ask them about opportunity cost. What things will this country have to give up?

**Accordion Fold:**
If extra time at the end, we will have each group share aloud with the rest of the class one of their solutions.

**Test Questions:**
1. List three resources that might become scarce during a war and explain why they are scarce.
2. Choose one resource from the above question and come up with a plan for how to solve the problem of scarcity for this resource.