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## Global Economy || Foreign Exchange

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### *Goals & Objectives*

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- To understand the power of the United States dollar around the world.
- Student will verbally explain how currency affects purchasing power abroad while remaining stable domestically.
- Students will compute currency exchange rates.
- Students will explain, in writing, how concepts of currency can change international relations.

### *California State Content Standards*

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- 12.6.1. Identify the gains in consumption and production efficiency from trade, with emphasis on the main products and changing geographic patterns of twentieth-century trade among countries in the Western Hemisphere.
- 12.6.4. Explain foreign exchange, the manner in which exchange rates are determined, and the effects of the dollar's gaining (or losing) value relative to other currencies.

### *Common Core Literacy Standards*

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#### [CCSS.ELA-Literacy.L.11-12.1](#)

Demonstrate command of the conventions of standard English grammar and usage when writing or speaking.

#### [CCSS.ELA-Literacy.L.11-12.1.a](#)

Apply the understanding that usage is a matter of convention, can change over time, and is sometimes contested.

#### [CCSS.ELA-Literacy.L.11-12.3](#)

Apply knowledge of language to understand how language functions in different contexts, to make effective choices for meaning or style, and to comprehend more fully when reading or listening.

#### [CCSS.ELA-Literacy.L.11-12.6](#)

Acquire and use accurately general academic and domain-specific words and phrases, sufficient for reading, writing, speaking, and listening at the college and career readiness level; demonstrate independence in gathering vocabulary knowledge when considering a word or phrase important to comprehension or expression.

#### [CCSS.ELA-Literacy.L.11-12.3](#)

Apply knowledge of language to understand how language functions in different contexts, to make effective choices for meaning or style, and to comprehend more fully when reading or listening.

#### [CCSS.ELA-Literacy.WHST.11-12.4](#)

Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.

### *Driving Historical Question*

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How do different countries control their economic standing by changing their currency/purchasing power?

### Lesson Introduction (Anticipatory Set) ||

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The teacher will direct the students' attention to the front board to an area designated for objectives and vocabulary. This will give the teacher the opportunity to introduce the objectives and define the upcoming vocabulary. This will prepare the students for the day's lesson.

After the goals/objectives and the vocabulary are addressed, the teacher will present several types of currency (either on a PowerPoint or authentic). Each type of currency will be from different countries. As the teacher presents each type of currency, the students will guess the money's country of origin. Students will raise their hands to present their thoughts. After the students guess each currency's origin, students will conduct a survey of "worth." This activity involves students guessing if the unit of currency is worth more or less than a United States dollar. In this part of the activity, students will, by show of hands, indicate their belief on the value of the unit of currency in relation to the U.S. dollar. After each are presented, the teacher will reveal the country and value.

This activity is meant to grab the students' attention and allow them to think about other types of money around the world. This will help students move away from an "American-centric" way of thinking, and consider other nations as a part of the global market.

### Vocabulary (Content Language Development) ||

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Students will be introduced to vocabulary prior to actual content delivery. The teacher will define a second time prior to the reading. S/he will also define as the read is in progress. Students will be required to academically use these terms as they both read and write.

- Foreign Exchange
- Exchange Rate
- International Exchange
- Currency
- Strong Dollar
- Weak Dollar

### Content Delivery (Method of Instruction) ||

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After the anticipatory activity the teacher will begin to explain the importance, and differences of various units of currency. S/he will explain that all types of money affect the global market, regardless of its perceived value. At this point the teacher will introduce the "Riyal Simulation" (see in student engagement section below). This activity will not require much explanation on the teacher's part and will be entertaining for the students.

In the simulation, the teacher will hand out fake Riyals (paper), and explain to the students that there is an uneven distribution of wealth. The teacher will then tell the students that they will use their "money" to purchase a candy bar. S/he will explain that the candy bar is worth one U.S. dollar. The teacher will then tell the students to "bid" on it using their Riyals. The teacher will "sell" the candy bar to the highest "bidder," however, once the teacher sees that the student only has Riyals, s/he will state that s/he only takes U.S. dollars. Eventually, the

teacher will direct the student to the “currency exchange” section of the class and they will have to exchange their “bid” amount of Riyal for 1 U.S. dollar. The teacher will then “sell” them the candy bar.

This simulation will be done in two rounds. After the first round, the teacher will pass out more Riyal and instruct the students to combined their money. Since students will have more Riyal, the teacher will start the “bidding” higher. In this round the candy bar will go for more Riyal. Once again, the teacher will not “sell” it for Riyal, but instruct students to exchange their money. This time, more Riyal is used to obtain one dollar. The teacher will explain how this not only demonstrate the need to exchange currency, but also that the value of money can change even though to value of the item has not.

The teacher will then launch into the PowerPoint and teach students how to calculate prices of common items in foreign currency. This will be conducted in the “I Do,” “We Do,” “You Do” method. The teacher will conduct a walk-around as the students complete various questions found on the worksheet. To solidify the concept, the teacher will close with a relatable question/prompt (see closure).

### Student Engagement (Critical Thinking & Student Activities)

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After students enter the classroom, they will be directed to look at the board in an area designated for the goals/objectives and vocabulary. They will hear the teacher read each allowed and follow along. This will prepare them for the upcoming lesson.

This will be followed by an activity that allows students to view different types of currency, guess their country of origin, and worth in comparison to the United States dollar. In this activity, the teacher will present a unit of currency and the students will raise their hands to guess its origin. After several students have guessed a country, the whole class will raise their hand indicating weather they think the unit of currency is worth more or less then the United States dollar.

After a short explanation of the anticipatory activity, students will engage in the “Riyal Simulation.” This simulation involves students receiving (fake/paper) Riyals. The students receive different amounts of Riyals so there is an uneven distribution of wealth. The Riyals will be used to purchase a candy bar from a United States vendor (the teacher). After all students have received their Riyals, they will be told that each candy bar costs a United States dollar. They will then be asked who wants to “buy” the candy bar with their Riyals. Students will attempt to buy the candy bar by “bidding” on it. The highest “bid” gets the candy bar. However, before receiving the candy bar, students will learn that they cannot use their Riyals to purchase a candy bar because the value is 1 U.S. dollar. Students will then have to exchange their Riyals for the dollar in order to “purchase” the candy bar.

This activity will be presented in two different rounds. After the first round, the students will receive more Riyals (to combined with their original amount) and the “bidding” will start again. Since students will have more money, the amount of Riyals spent on the candy bar will climb. Students will once again face the dilemma of having to exchange the Riyal for U.S. currency. In this activity the students keep the candy.

After the simulation, students will answer questions provided on the PowerPoint. This will highlight two concepts; one that shows currency must be exchanged to use it in different countries. The second, showing that although the value of the item never fluctuated, the value of the currency did in fact change.

Next, students will listen to the teacher as s/he teaches how to calculate exchange rates in order to determine prices of common products in different countries and how those prices

compare with the United States. They will listen to the concept (in tandem with the visuals presented on the PowerPoint.) The students will be taught to calculate these numbers using the “I Do,” “We Do,” “You Do” method (all on the PowerPoint).

Finally, students will listen to the teacher as s/he explains how exchange rates, supply and demand, and market interaction change the value of a unit of currency. This will be followed with the closing activity outlined below.

### Lesson Closure ||

The closure will include group collaboration to answer the question as to where their “Senior Trip” should take place. The students will be instructed to take the concepts of the previous lesson to get the “best bang for their buck.” In a fun activity, students will come up with a destination and explain why they chose it. They will also get to think about the living conditions at each location and explain the downfall of saving a few bucks.

### Assessments (Formative & Summative)

Assessments will be conducted throughout the lesson. The first assessment is used in the anticipatory activity. Not only will the activity allow the teacher to access prior knowledge, but s/he will be able to determine their foundational understanding of foreign currency.

The first assessment of the current content will be conducted during and after the simulation. During the simulation the teacher will test understanding from round to round. In the first round it is understood that the students may not understand the concept of exchanging money, but by the second round, they should have a vague concept of the need to exchange foreign currency.

The next assessment is conducted after the simulation. Students will answer various questions on the PowerPoint that require them to think deeply about the simulation. These answers aren’t immediately obvious, and require application of the concepts.

Another assessment will take place during the walk-around when the teacher evaluated student understanding of exchange rates. These answers will be discussed as a class, providing yet another opportunity to evaluate student understanding on the same concept.

The final assessment is conducted during the closing activity. This is an activity requires students to synthesis all the information from the lecture. In this collaborative assignment, students will make a decision and defend their stance. This requires them to explain the concept while applying it to a relatable event and is a good opportunity for the teacher to ask higher-order thinking questions in regard to their answers.

### Accommodations for English Learners, Striving Readers and Students with Special Needs

This lesson accommodates for students of all needs. Since the simulation and closing activity allows students to work as a whole class and in groups, students who have other needs can benefit. As is typical with group work, students who are considered English learners can be paired with individuals who are proficient in their first language and English. This can also be applied to students with other needs. Other need students can also be paired in heterogeneous groups so their peers can explain concepts in different ways.

This particular lesson contains limited reading and limited note taking. Although this is not typical, it can still benefit striving readers, English learners, and students with other needs. Limited reading and writing can allow students to focus on the activities. This is also beneficial for a multitude of learning styles.

The lesson also accommodates advanced students. Instead of requiring students to complete a formatted activity, the final activity is very open-ended. For example, when answering the prompt, a student who is advanced can both apply the content and expand on the prompt in a meaningful way. This behavior can be fostered during the walk-around as the teacher can ask students to expand on their thoughts.

### Resources (Books, Websites, Handouts, Materials)

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- Real/Visual Foreign Currency
- Paper Riyals
- Candy Bars
- PowerPoint: "Foreign Exchange"
- Worksheet: "Foreign Exchange"
- Paper
- Pen/Pencil