

# *High School Economics Group Project 1*

## Economic Decisions and Cost/Benefit Analysis

**Objective:** Determine which decisions that the students make everyday are economic and which are not. Apply cost/benefit analysis to economic decisions.

**Suggestion activity:** Divide students into group of three or four and have them accomplish the following tasks:

- 1) List 15 decision you have made today. Determine if they are economic decisions. Economic decisions have some economic consequence, either short term (for example: spending or saving money) or long term (investing in yourself or opportunity to earn money in the future such as going to school).
- 2) Pick the most challenging economic decision and use a cost/benefit analysis to decide the answer as a group. List all the explicit (directly paid or experienced) and implicit (indirect or second-hand). Be sure to include opportunity costs. List all the benefits, both implicit and explicit.

### **Assessments:**

- a) Write a one-page paper listing the decisions. For each decision list the costs and benefits along with how the students decided to use their resources (answer to the decision). They should support their decisions with a statement based on the summary of their cost/benefit analysis.
- b) Have the group present their decision to the class. Have them write on the board the decision and the list of costs and benefits and their choice. Allow class discussion as to whether the group made the best decision.

**Time:** 10 minutes to 60 minutes depending on number of decisions required and type of assessment used.

**Variations:** Chose a scenario in advance for the students to work on. A teacher could give the same decision to each group or a separate one for each group. The unique decision for each group would work better if going to use class discussion as assessment.

Possible scenario (teacher can create hundreds of their own):

You have \$20 and you want to go to the movies with your friends but you also need more school clothes. It is the most popular movie today and all the kids are talking about it. You only have one pair of jeans that you can wear to school.

**Note:** May merge with Opportunity Cost Project