



Make Trade, Not War | Lesson Plan

Why do nations trade, instead of producing everything themselves?

Students will understand that nations engage in trade because they cannot produce everything efficiently on their own. Differences in currency and comparative advantage shape how and why countries exchange goods and services.

Learning Objectives:

- Define key terms having to do with trade.
- Describe why nations engage in trade and do not produce all goods themselves.
- Explain how comparative advantage leads to trade between nations.
- Analyze how currency values influence a country's imports and exports.
- Evaluate the pros and cons of a strong vs. weak national currency.
- Reflect on how global trade affects individuals personally through the goods they use.

Key Vocabulary:

- **Trade:** The exchange of goods and services between people, businesses, or countries to obtain what they cannot or do not produce efficiently themselves.
- **Specialization:** When a person, business, or country focuses on producing one type of good or service more efficiently than others.
- **Comparative advantage:** The ability of a country to produce a good at a lower opportunity cost than another country.
- **Currency:** The official system of money used by a nation for trade and financial transactions.
- **Exchange rate:** The value of one country's currency compared to another's.
- **Trade balance:** The difference between the value of a country's exports and the value of its imports.
- **Trade surplus:** A condition in which a country exports more goods and services than it imports.
- **Trade deficit:** A condition in which a country imports more goods and services than it exports.

Educational Standards: CCRA.R.7, CCRA.R.10, CCRA.W.2, CCRA.W.4, CCRA.W.7, CCRA.SL.1, CCRA.SL.2, CCRA.L.6

Academic Subject Areas: Economics, Government & Civics, Business & Personal Finance

What You'll Need

- Video: *Ca\$h Cour\$e: Make Trade, Not War* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: Make Trade, Not War* (Click [Here](#))
- Classroom whiteboard and dry-erase markers (or use a technology solution if available).

Scan to watch episode:



Lesson Plan (45 mins.)

Warm-Up: (15 mins.)

1. Begin by introducing the concept of trade, specialization, and varying kinds of currency with this scenario: Imagine you and your friends are at a school market. One table has homemade cookies, another has cool stickers, and another has handmade bracelets. But here's the catch: each table only accepts its own type of points or "money." Cookie coins for cookies, sticker bucks for stickers, and bracelet bills for bracelets. How would you get what you want if you only had cookie coins?
2. Ask students these questions:
 - Why might tables only offer one kind of item?
 - What problems might you run into if you try to spend cookie coins at the bracelets table?
 - Why might one table's currency be "worth more" than another's?
 - What are the pros and cons of everyone having their own kind of currency?
3. After the discussion, explain: Just like the tables in the school market use different types of money, countries around the world use different currencies. And just like the students in the scenario, countries can't always trade directly—they have to figure out how much one currency is worth compared to another. This is where **exchange rates** come in. Some currencies are "stronger," some are "weaker," and those values can change.

In addition, just like the tables focus on making one product well—cookies, stickers, or bracelets—**countries specialize**, too. They focus on producing the goods or services they're best at. This leads to more efficient production and trade. Countries then decide what to produce and what to trade for based on what they can do most efficiently. That's called **comparative advantage**, and it's a big reason why international trade exists.

4. Before watching the video, write the following vocabulary terms on the board and briefly define each with an example. Have students copy them into notebooks or a handout. These terms appear in order during the video:
 - Trade, Specialization, Comparative advantage, Currency, Exchange rate, Trade balance, Trade surplus, and Trade deficit.

Watch and Discuss: (15 mins.)

1. Play the video and instruct students to listen for the vocabulary terms and how they appear in context.
2. After the video, lead a focused class discussion to help students process the content, connect ideas, and begin applying what they learned. Aim to touch on each section of the video: specialization and trade, currency valuation, and trade balance. Based on time and class engagement, choose 3–5 of the following questions.
3. Discussion questions:
 - Why is it more efficient for countries to specialize in certain goods or services?
 - What is comparative advantage, and how does it help countries decide what to trade?

- Why is trade more beneficial than trying to produce everything independently?
 - What challenges do countries face when trading with different currencies?
 - What causes a currency to increase or decrease in value?
 - How can having a strong or weak currency affect a country's economy?
 - What is the trade balance, and how do trade surpluses and deficits affect a nation's currency?
4. Optional activity: Have students pair up and choose one vocabulary word from their list. Ask them to explain the concept in their own words and give an example (that wasn't used in the video).

Wrap-Up: (15 mins.)

1. Distribute the student worksheet as a formative assessment. Depending on time and classroom needs, students may work individually or in small groups. Allow students 10-12 minutes to complete the worksheet. As they work, circulate the room and support and clarify as needed.
2. Once students finish, either review the answers as a class or collect the worksheets for grading, depending on your instructional goals.
3. Bring the class back together for a brief summary of the lesson, such as:
 - Nations trade because they cannot produce everything efficiently on their own. Specialization and comparative advantage help countries focus on what they do best, and trade allows them to access what they lack. But international trade also involves challenges, including currency differences and economic shifts that affect exchange rates and trade balances.
4. To close the lesson, offer a positive call to action or a reflective comment, such as:
 - Understanding trade and currency helps us become smarter consumers, more informed global citizens, and better decision-makers—whether we're shopping, traveling, or starting a business.

Extension Activities (Optional): These activities can be used for enrichment, early finishers, or as homework. They extend the lesson's real-world application through research, currency conversion, and global awareness.

- Encourage students to research and create a short menu of international items along with their prices (e.g., bananas from Colombia, chocolate from Switzerland, electronics from Japan). Ask students to find out the country's currency and current exchange rates to convert the prices to U.S. dollars.
- Allow students to choose a country they would like to visit and research what goods or resources it is known for. Ask them to create a brochure of items they would like to purchase, then create a budget for how much they would need to do so.

Don't have time for the full lesson? Quick Activity (10-15 mins.)

Distribute the worksheet and allow students to complete it while they follow along with the video. Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.