



POWELL CENTER FOR  
ECONOMIC LITERACY

## *Lesson Plan*

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# Septica: A New World, A New Government

## Time Required

5 weeks

## Grade Level and Subject

High School, Social Studies

## Keystone Principles

Principle #1 – We all make choices.

Principle #2 – TANSTAFL (There ain't no such thing as a free lunch).

Principle #3 – All choices have consequences.

Principle #4 – Economic systems influence choices.

Principle #5 – Incentives produce “predictable” responses.

Principle #6 – Do what you do best; trade for the rest.

Principle #7 – Economic thinking is marginal thinking.

Principle #8 – The quantity and quality of resources impact living standards.

Principle #9 – Prices are determined by the market forces of supply and demand...and are constantly changing.

## Voluntary National Content Standards in Economics

Standard #2 – [Marginal Cost/Benefit](#)

Standard #3 – [Allocation of Goods and Services](#)

Standard #5 – [Gain from Trade](#)

Standard #6 – [Specialization and Trade](#)

Standard #10 – [Role of Economic Institutions](#)

Standard #11 – [Role of Money](#)

Standard #13 – [Role of Resources in Determining Income](#)

Standard #15 - [Growth](#)

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Standard #16 – [Role of Government](#)

Standard #20 – [Monetary and Fiscal Policy](#)

## Economic Concepts

**Capital** – (a) *Tools, buildings, machinery, equipment, roads, and all other goods used by people in producing goods or services.* (b) *Goods that are used to make other goods.*

**Consumer** – *One who purchases goods and services to satisfy a want.*

**Interdependence** – *A relationship between people or firms in an economy where both benefit because of interaction – needing and benefiting from one another.*

**Natural resources** – *Plants, animals, minerals and other products of nature that can be used to produce goods and services to satisfy human wants..*

**Opportunity cost** – *The NEXT BEST alternative that must be sacrificed as a result of choosing one thing over another. ALL choices bear an opportunity cost.*

**Producer** – *An individual or firm that makes goods or services to satisfy the wants of others..*

**Specialization** – *The act of devoting all or most of one's resources to the production of a single good or service.*

**Supply** – *The quantity of a good or service that producers are willing and able to sell at a given price.*

## Overview

The Constitution of the United States of America was created in part to allow citizens a voice in the development of economic and governmental policies. Fourth and fifth grade students involved in this simulation will become active participants in examining policy decisions similar to those addressed by the American Founding Fathers. Students will analyze state versus federal systems of government, the American philosophy of government, and the frustrations associated with the creation of a country. They will consider the accomplishments, problems, and economic limitations associated with the Articles of Confederation. Through simulation, they will participate in the fictional development of a family that purchases items to meet its needs, a state which produces goods and provides services, and a country in which the states need to function interdependently in order to survive and prosper. After studying these topics and problems, students will create a preamble to the Constitution of the United States of Separtica.

## Objectives

- Students become decision makers as they apply their knowledge of economic specialization and interdependence in the production of resources to provide goods and services.
- Students determine the difference between human resources, natural resources, and capital resources used to produce goods and services.
- Students study growth and change in a culture, emphasizing geography, climate, water systems, economic incentives, pioneer spirit and inventions, and the influence of movement and change on distribution.
- Students study the influence of interdependence on producers and consumers.
- Students learn about the flow of money with emphasis on types of taxes collected, the impact on services provided by government, and the role of money in a society.
- Students develop an understanding of the causes, costs, and benefits of major events, both political and economic, which affect American history.

## Materials and Handouts

[All Handouts](#) – Includes the following:

Handout 1 -- Introduction to Separtica

Handout 2 -- Articles of Confederation of Separtica

Handout 3 -- The Six States

Handout 4 -- State Products and Costs

Handout 5 -- Purchasing Sheet

Handout 6 -- Product Inventory

Fates of Separtican States

## Teaching Activity

### Week 1

Introduce students to the Separtica simulation by distributing and reviewing Handout 1, “Introduction to Separtica;” Handout 2, “Articles of Confederation of Separtica;” and Handout 3, “The Six States.” Then divide students into six groups to form the six states of Separtica.

Instruct each state to elect/fill the following positions: governor, treasurer, military analyst, secretary of agriculture and industry, public relations officer, congressperson, and average citizen. These positions are independent of a citizen's occupation. The governor runs state meetings and facilitates group activities; the military analyst helps to create state laws and ensures their enforcement; the public relations officer creates product advertisements and leads the design of the state flag; the congressperson represents the state in meetings of the national Congress; the secretary of agriculture and industry supervises the buying, selling, and trading of products; the treasurer maintains the state's bank and economic records; and the average citizen produces a newsletter and fills in

for others when needed. Next, ask each state to create 10 laws and design a state flag.

Assign each student an occupation and a salary. Occupations can be random or relative to the geographic region (for example, a citizen of Mooton might be a cattle rancher). Salaries should differ in amount. Create and record salaries on a salary balance sheet in that student's state currency.

Next, ask students to create a fictitious family through original journal writing. Family units will determine expenses and number of purchases needed to sustain themselves.

Then lead students in currency conversion exercises. Distribute Handout 4, "State Products and Costs" and Handout 5, "Purchasing Sheet" to the class. Instruct students to plan their purchase of supplies for themselves and their fictitious families. Encourage students to make purchases between and within states. Convert currency before actual purchases are made between states. A federal reserve may be set up for this purpose.

Ask students to record their purchase of supplies on their "Purchasing Sheets;" then distribute the sheets to the correlating secretary of agriculture and industry. Ask students to deduct purchases from their salary and record their new monetary balance.

## **Week 2**

Distribute the "Product Inventory Sheet," Handout 6, to each state's secretary of agriculture and industry. Before distributing each handout, fill in the columns for that state's *products* and the *cost per unit* for those products. This information can be found on Handout 4. Then decide on *beginning units* of inventory for each product and fill in the column for beginning units. Next, instruct each state's secretary to tally "Purchasing Sheets" received on the "Product Inventory Sheet," deducting the units sold and recording new supply balances.

Separitan states will begin to experience different twists of fate with subsequent consequences. See "Fates of Separitan States". Read **Fate 1** to the class, and ask each state to consider consequences based on their citizenship. Hold a meeting of Congress to decide whether to respond to Waterworld's actions. Resolutions must fall within the confines of the Articles of Confederation. Our class discussed the following repercussions for Waterworld: request relief money, boycott, and war. It is helpful to have another staff member run meetings of Congress weekly or biweekly during a free period. Congresspersons should discuss resolutions with citizens of their state, so they may vote in accordance with their state's wishes. Read **Fate 2** and ask students to adjust accordingly. Citizens not living in Planter's Paradise will need to purchase medicina from Sandland.

## **Week 3**

Increase each state's product inventory by 10 percent, and pay students a salary in accordance to their occupation. This will be their final pay check, but they are unaware of this fact.

Use social studies texts and other materials to discover how the Founding Fathers of the United States felt about issues involving expansion, Native Americans, and weaknesses in the Articles of Confederation. You may want to have several "Founding Fathers" visit the classroom in costume to reinforce these concepts. This is an excellent opportunity for making a literary connection.

Now read **Fate 3**. Develop and present options for responding to this fate; then ask each state to select an option or create its own. Present consequences or rewards based on the option chosen by each state; ask students to adjust accordingly. For example:

- **Option # 1: Retaliation**
  - *Response:* Oilia burns down the Foundlings' settlement.
  - *Consequence:* All citizens receive third degree burns on their hands. Each citizen must research and write a one-page paper on burn treatments.
- **Option #2: Confrontation without retaliation**
  - *Response:* Waterworld retrieves the fishing nets stolen by the Foundlings.
  - *Consequence:* Scale salve production is immediately back to 100 percent.
- **Option #3: No action**
  - *Response:* Treesyvania adopts a wait-and-see attitude.
  - *Consequence:* Costs them two weeks of production and a reduction in wages.

#### **Week 4**

**Fate 4** is presented to Congress by a Unisan citizen. Congress shares this information with all Separtican citizens. Develop response options to this fate and present them to the class. Ask each state to select an option or create one of its own. Response options examined by our class included:

- Exchange your state's currency for pink currency to pay back the loan.
- Print more currency.
- Refuse to pay the loan back and declare war on Unisa.

Present consequences or rewards based on responses chosen for **Fate 4**; ask students to adjust accordingly. If students wish to print more money in order to repay the Unisans then you may permit this. However, instruct the Unisans to refuse this money as it has no value. Impose harsh penalties for those states wishing to wage war on the Unisans.

It's time for students to purchase another lot of supplies. Encourage students to purchase large quantities so that resources become scarce or fully depleted. *This is essential to the success of the simulation.*

After supplies are purchased, the depleted resources should then be announced to all students. Some students will not receive all of their purchases because of the scarcity of resources. Based on the Articles of Confederation, states cannot demand purchase money be returned to its citizens.

Instruct citizens to work in their state groups to find solutions to the major problems facing the country of Separica.

### **Week 5**

All Separicans should now join together to discuss state solutions to the depletion of resources. List solutions on chart paper and share with the class; then hold an open forum discussion.

Convene Congress immediately to vote on solutions to the economic and governmental problems facing Separica. Lead Congress to create a centralized government and currency system. Swear members of Congress to secrecy, and do not share solutions until the next teaching day. Once Congress shares their resolutions, use additional resources to show how issues of weak government were resolved.

Present a lesson on the Preamble of the United States Constitution. After guiding students toward creating their own Separican Constitution, ask each state to work individually to create a preamble for this new document. Then ask each state to share its ideas. As a class, work to revise ideas into a cohesive document and create a final preamble for the country.

You may wish to have a final celebration incorporating games, activities, and food that represent the resources of all the states. Work with public relations officers to mastermind this event.