



POWELL CENTER FOR  
ECONOMIC LITERACY

*Lesson Plan*

WRITTEN BY Cynthia A. Weldon

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## E-commerce is Elementary: Weldon's Bookworm Company Goes Online

### Time Required

7 weeks

### Economic Concepts

**Consumer** – a person who is willing and able to buy goods and services.

**Demand** – the amount of a good or service buyers are willing and able to purchase at various prices at a given time.

**Goods** – items made by people, or found in nature.

**Producer** – a group or individual who makes goods or provides a service.

**Services** – products that cannot be touched or stored such as medical care, selling, education, transportation, telephone communication. A service is consumed at the instant it is produced.

**Wants** – all those things, tangible and intangible, people might wish to possess, but which are not absolutely necessary. It is usually contrasted with needs, or those few things humans require to sustain life.

### Overview

Starting a business provides an excellent opportunity for children to experience economics in a hands-on, interactive manner in the elementary classroom. By using computer software programs to produce products and by selling these products online in local and global markets, Weldon's Bookworm Company demonstrates the efficiency of new technology and examines the Internet as a medium for electronic commerce.

If your school does not have the technology support needed for this lesson, it can readily be adapted to reflect the skills you do have. Consider using a lesson you are already planning (such as a study of the Pilgrims, an earth science unit, or something indigenous to your area) and tie in the designs for the bookmarks to the lesson. Perhaps you know

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teachers in other states or countries with whom you could trade, even without a website as a mechanism for doing so. If you have internet access and a digital camera, you can readily send pictures of your product samples or conduct a market survey. The bookmarks can be produced by hand if you prefer. There are many valuable concepts beyond technology contained in this lesson and most students respond enthusiastically to the opportunities it provides. For additional ideas, check out [Lesson Extensions](#).

### Objectives

- Students learn to use various computer software programs in the production of goods.
- Students learn to recognize and count coins, dollar bills, and checks as forms of money.
- Students learn to buy or barter for goods as a means of trade.
- Students learn that goods in modern societies usually are purchased with currency versus barter.
- Students learn to analyze consumer choices.

### Materials and Handouts

Computer

Materials for producing bookmarks: paper, ribbons, laminating film

KidPix and ClarisWorks software programs

Class Web site or access to your school Web site

Book *Jelly Beans for Sale*, by Bruce McMillan, Scholastic, New York, 1998

#### Internet access to the following Web sites:

*Online Branding*

<http://webreference.com/new/branding.html>

*Sell It on the Web*

[www.sellitontheweb.com](http://www.sellitontheweb.com)

### Teaching Activity

Explain to the class that they will start a company to create, produce, and sell bookmarks. Tell students they will sell the bookmarks locally, nationally, and internationally, in traditional markets and over the Internet. Find three elementary classes in various geographic regions to participate with your class in this lesson. (We worked with classes in Virginia, Arkansas, and Japan.) Explain that in addition to selling bookmarks to the local community, students will purchase (or



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[barter](#)) for one another's products online, from across the nation and globe. By working with a class abroad, students have the chance to use a barter system and trade products of equal value. They also avoid the expense of the international-exchange currency conversion fee.

The next step is to design a Web page to market, display, and sell products electronically. Start with a simple site of four pages titled the Production Process, Product Samples, Market Survey, and Order Form. As you reach each step in the process, complete the Web pages. *Online branding*, a term encompassing the overall look and feel of a Web site, can be used as a springboard to teach design and development of Web pages. *Sell It on the Web* is an Internet site that gives tips on starting an electronic business. Students can incorporate information on effective ad design when creating the class Web site.

Next, ask students to conduct a market survey to determine [at what price there will be a demand for their product](#). Students should develop questions and post them on the Market Survey page of the Web site. Have students ask family and friends to take the survey. Our survey revealed that bookmarks would sell for the price of one dollar.

Instruct students to apply for a business loan from the local banker (teacher) in order to purchase start-up materials. Students will need to use items in the classroom, such as the class fish tank, as collateral. After granting the loan, assist students in "purchasing" materials with classroom play money.

Then decide as a class on the shape of the bookmarks. Students should vote to select the most popular design from a variety of illustrated shapes. [Our class decided to create bookmarks shaped like bookworms.](#)

Use Bruce McMillan's *Jelly Beans for Sale* to prompt a discussion on different ways to increase a goods' marketability. In McMillan's book, jelly beans of several colors and flavors are sold and purchased. Each student in the class has a preference as to which flavor he likes best, and which he'd be more likely to purchase. Given that offering only one *flavor* of jelly bean will decrease sales, discuss whether or not bookmarks containing only one *theme* will appeal to all consumers. Lead students to the conclusion that offering a variety of choices is the best business decision. Brainstorm ideas with the class; then narrow the choices down to six categories. Our students chose Collegiate School, animals,

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sports, food, countries, and nature.

Discuss economic terms. Then ask students to examine a collection of bookmarks displayed in a variety of conditions and discuss product quality. Defining bookmarks as a *want* versus a *need* is the final step in understanding that the product must be appealing in order to sell.

Ask students to devise a logo for their company. Our students wrote the letter *W* on sticky tabs and placed them on the back of each bookmark signifying authenticity. "If you don't see a *W* on the back, it isn't a Weldon's Bookworm Bookmark."

At this time, also work with students to create business cards using ClarisWorks Draw, along with hand-written and illustrated advertisements to promote the business.

It is now time to create your bookmarks. If the class is producing bookworm bookmarks, have students use the "circle selector" tool in KidPix to interlace three circles. Place three bookmark shapes into each document and then copy them into each child's work folder.

Begin production. Divide the class into two groups and allow for two one-hour sessions. In the first session, assign one group to production and the other to quality control. In the second session, reverse the roles. Assign three bookmark categories for production in each session. Check off each child's work as satisfactory as he or she completes each bookmark.

Upon completion, students should take inventory by sorting bookmarks into six baskets and tallying the total number in each category. Help students post product samples, the production process, and the order form on the Web site. Inform the community and participating classes abroad that online sales are now available. Allow students' families and friends time to purchase bookmarks electronically prior to selling them at a school fair. Our students sold bookmarks at the Village Green Fair, a yearly fundraiser, after first selling them online. (Assign students to work at the fair in 30-minute shifts.)

To monitor electronic sales, designate a class messenger. The messenger should

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begin checking the class e-mail twice daily for orders for approximately three weeks. When the messenger receives an online order, he or she should record the information on forms posted next to the computer. Explain to students that they are responsible for filling out invoices and acting as couriers for local orders. Assist students in filling national and international orders. Each customer should receive a product envelope containing four items: an invoice, bookmark(s), a business card identifying the student who filled the order, and a return envelope. Payment should be returned in the enclosed envelope.

At the conclusion of the exercise, lead students in a discussion to determine which bookmarks were more popular locally, nationally, and internationally. Our students made an interesting observation: the greater demand for school-theme bookmarks was within the community. At the Village Green Fair, all the bookmarks relating to Collegiate School sold out, but they were not nearly as popular nationally or internationally. Many interesting reasons were discussed as the students analyzed the choices consumers made when purchasing bookmarks.

### **Conclusion**

The number of consumers purchasing products online is growing rapidly. A great way to demonstrate this phenomenon of electronic commerce is by providing young students with real-life, interactive experiences. These classroom encounters demonstrate a variety of ways in which technology has become an integral part our existence. By producing bookmarks using computer software programs and selling products online, students begin to see the great impact and convenience of technology in our economy.



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### Lesson Extensions

- Although this lesson is written for elementary students, it is easily adapted for older students. The products may be different, but the process of producing a good and teaming up with a school in another state and another country is an exciting endeavor for any age group.
- If you choose to use this lesson but wish to make the bookmarks by hand, here are some suggestions to get you started:
  - Glue overlapping pieces of brightly colored tissue paper
  - Use a paint swirl design
  - Try stamp patterning
  - Decorate with ribbon
  - Affix photographs that the children take with a digital camera
- If internet sales do not work for you and you prefer to scale back and just do something in your own school, here are some venue ideas:
  - If your school has an Open House night, display and sell your bookmarks.
  - Display and sell your products at a Parent/Teacher conference.
  - Hold a school Book Fair.
  - Have a Market Day at your school, or a Market Week during your lunch period.
- Substitute other products for the bookmarks described in this lesson. They can be tied thematically to any unit already in your curriculum.
  - Have each student write/publish their own book. Make copies and sell them.
  - Have students make a variety of cards (thank you cards, birthday cards, Christmas cards, post cards).

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- Allow students to take their own photographs and put them on cards.
- You may wish to tie this lesson specifically to your art curriculum, using a specific technique, artist or style as an inspiration.
- Students may wish to consider whether there are products they can make that utilize resources unique to their own locality. If trading is conducted with far-away schools also making products unique to their location, the difference between high and low opportunity cost becomes more apparent. For example, Virginia students may wish to trade Virginia peanuts for cranberry products with students in Maine, or for replicas of Incan art with a school in Peru.
- The theme of making choices runs through this entire lesson. Discuss with the students the specific choices they are making – to whom should they sell their product, how will they make it, what will they call their company, who will produce what. Have them articulate their choices and the reasoning behind them. This is an excellent opportunity to help the students learn the process of sound decision-making.

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## Helpful Internet Sites

For additional information on making the bookmarks, the following sites may offer helpful ideas

- [www.nationalgeographic.com/kids/bookmarkfactory/](http://www.nationalgeographic.com/kids/bookmarkfactory/)
- [http://home.earthlink.net/~crosinski/Origami\\_Bookmark.html](http://home.earthlink.net/~crosinski/Origami_Bookmark.html)
- [http://www.readwritethink.org/lessons/lesson\\_view.asp?id=135](http://www.readwritethink.org/lessons/lesson_view.asp?id=135)

## Keystone Economics

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### **Principle #1 – We ALL Make Choices**

- The theme of choices runs throughout the entire lesson. Scarcity forces us to choose. The students cannot make all the bookmarks they or their customers might want; they must make choices based on the amount of time and materials available.

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### **Principle #2 – TANSTAAFL (Choices Have Costs)**

- In this lesson, the students have chosen an unusual shape for their bookmarks. They gave up the opportunity to create a different sort of bookmark. This is their opportunity cost. They will not have the experience of making that different bookmark.

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### **Principle #3 – Choices Have Consequences**

- One choice businesses face is whether to underwrite the cost of something or to borrow the necessary funds. Introducing the use of collateral to obtain a loan is a clear and tangible demonstration of a consequence. If a loan cannot be repaid, the collateral is forfeited.

### **Principle #6 – Do What You Do Best, Trade for the Rest**

- Trade expands the range of choices available to the trading partners. By specializing in one particular product they do well, students are able to produce more goods than they would have if they tried to produce three different goods. This is an example of producing at a lower opportunity cost.

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### **Principle #9 – Prices are determined by the intersection of supply and demand.**

- Potential producers must determine whether there is a market for their goods, and at what price consumers are **willing and able** to purchase them.

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- After determining the price at which consumers are willing to purchase the good, potential producers must determine their own costs in implementing production.

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