

FINANCIAL AND ECONOMIC LITERACY

(teaching material for schoolchildren - ca. between 10 and 18 years of age)

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For schoolchildren, financial and economic topics are mostly difficult and essentially unattractive. This book tries to show that, nevertheless, these topics can be treated in a vivid, playful and comprehensible way with an emphasis on the student's own experience (ranging from classroom games and debates to visits of actual institutions), the involvement of the student's parents and the use of modern technology that schoolchildren like to use (computers, multimedia and the internet).

After getting through this textbook, the student will know and understand the basic pros and cons of saving and borrowing, the hidden power of advertising, the importance of ownership and its protection, the basic mechanics of public finance, etc. The emphasis is on universally applicable principles of economic thinking and real-life situations rather than the memorising of detailed facts and academic terms.

The book has the form of Teacher's Book, Student's Book 1 and Student's Book 2. The Teacher's Book contains solutions to most activities collected in the two Student's Books as well as a lot of background information so that the teacher feels broadly familiar with the whole field and able to teach the basics.

CHAPTER 1: Everything belongs to someone

Who owns what

1.1 Looking for owners in the story of the town of Belice

Can we own ideas?

1.2 Material property and intellectual property in the story of Adam's song

1.3 Other examples of intellectual property

1.4 Examples of piracy in the area of intellectual property

1.5 Survey of piracy among your schoolmates

1.6 Institutions dealing with intellectual property

1.7 Protection of property

1.8 Intellectual property in your region

Owners in the area of housing

1.9 Who owns what in your region

1.10 Which type of dwelling is best?

1.11 How many people in your country live in a house they own

Supplementary comments for teachers

CHAPTER 2: Different people do different things

Examples of the division of labour

- 2.1 Division of labour in various areas of life
- 2.2 Division of labour in a hotel
- 2.3 Division of labour when a house is being built

Advantages of the division of labour

- 2.4 Division of labour in business card production (class game)

Division of labour around you

- 2.5 The place of a household in the economy-wide division of labour
- 2.6 How your country participates in international division of labour

Supplementary comments for teachers

CHAPTER 3: The economy is like a central heating system

The circular flow of goods and services in the economy

- 3.1 Inputs and outputs of a household
- 3.2 Inputs and outputs of a bakery
- 3.3 A picture of the circular flow of goods and services
- 3.4 A picture of the circular flow of goods and services with a bank

Various types of firms in the circular flow of goods and services

- 3.5 Self-employment, plc, ltd
- 3.6 Various types of trades
- 3.7 Visiting a business

Supplementary comments for teachers

CHAPTER 4: So, how much is it, or let's talk about the prices

Price as the result of supply and demand

- 4.1 Market for apples (class game)
- 4.2 How quickly prices react to changes in demand or supply
- 4.3 When the price does not correspond to supply and demand

Advertising under microscope

- 4.4 Pros and cons of advertising for the seller and the buyer
- 4.5 Where we can meet advertising
- 4.6 Hidden pressure in advertising
- 4.7 Survey on leaflets in letter boxes
- 4.8 Play parodies of popular TV ads

There are discounts and "discounts"

- 4.9 True and fake discount in a shop
- 4.10 Discounts around you

When what you have bought is not working as it should

- 4.11 Guarantee period and making a complaint

Supplementary comments for teachers

CHAPTER 5: You can pay with money - or in other ways

Money makes the exchange of goods and services easier

- 5.1 Prehistorical versus medieval market place (class game)
- 5.2 Visiting the Czech National Bank's exposition "People and Money"
- 5.3 Security features of a selected banknote

Invisible money

- 5.4 Services of an automatic teller machine
- 5.5 Payment cards

- 5.6 Survey on the use of payment cards
- 5.7 How we can pay from our bank account
- 5.8. Forms of direct banking
- 5.9 Ways in which we can send a payment from the Post Office
- 5.10 How we can pay for various goods and services
- 5.11 What to be careful about when paying in different ways

Supplementary comments for teachers

CHAPTER 6: Money need not lie idle

Where we can invest money

- 6.1 The story of indebted Romeo
- 6.2 Types of assets
- 6.3 The insurance game (class game)
- 6.4 Basic types of insurance
- 6.5 Annual rate of return or interest rate of an asset
- 6.6 Properties of assets apart from the annual rate of return or annual interest rate

Does it make sense to save, anyway?

- 6.7 Inflation and real earnings
- 6.8 When is it financially sound to save?
- 6.9 Real interest rate of bank deposits
- 6.10 To buy now or a year later

And what if we have less than enough money

- 6.11 Types of liabilities
- 6.12 Annual interest rate and annual percentage rate of charge of a liability

To buy now or on time or by taking a loan

- 6.13 What can be bought on time
- 6.14 To buy on time or by taking a loan
- 6.15 Interest rate fixation
- 6.16 Comparing two credit cards
- 6.17 Comparing two consumer loans

Supplementary comments for teachers

CHAPTER 7: When you pay taxes, what do get in return?

Taxes and public budgets

- 7.1 Sources of revenue for public budgets
- 7.2 Goods and services with standard and reduced rate of VAT
- 7.3 Decomposition of the price into tax, profit and costs
- 7.4 Filling in a tax return form
- 7.5 Types of budgets
- 7.6 How the proceeds from taxes are distributed

Where the money from public budgets goes

- 7.7 A report on public facilities and places
- 7.8 A visit at the town or regional office or parliament
- 7.9 A photo-contest “What is paid for from public budgets”

A closer look at how the national social system looks like

- 7.10 A visit at the employment office
- 7.11 A visit at the social benefits office
- 7.12 A visit at the pension benefits office

When you grow old

- 7.13 The current pension system in this country

7.14 A battle of pension systems

Supplementary comments for teachers

CHAPTER 8: How the money travels through the economy

8.1 Income and expenditures of a household

8.2 The consumption basket of an average household

8.3 Pre-tax and after-tax wage

8.4 I will have my own household one day

8.5 What does a short interest rate fixation mean for my housekeeping

Where an advice can be obtained if one falls into a debt trap

8.6 Two advice centres in case of financial stress

8.7 A visit at an advice centre

The circular flow of money in the economy

8.8 A picture of the circular flow of money

Supplementary comments for teachers