

Free Market Activity – Going Bananas

Use this activity to introduce the concept of food costing.

Supplies:

Bananas (a few or one for each student)

Change (coins – quarters, dimes, nickels and pennies)

Paper and pencil

Steps:

1. Distribute assorted coins (real or play) to the students.
2. Offer a banana for sale to the students at a cost of \$0.20.
3. After the first student buys the first banana, sell another banana at a lower price such as \$0.15.
4. Continue selling the bananas at whatever price the students bid.
5. Allow students sell to other students at whatever price they choose.
6. Instruct student to keep a record of the bananas they have bought or sold on paper (data will be used in another activity).

The idea is to create free market among your students.

See if anyone is willing to pay more for items. Let supply and demand dictate the activity. You can play along continuously to create sales in the class. Varying sales prices are best. Students buying for \$0.10 and selling for \$0.25 or buying for \$0.20 and selling for \$0.25. Sell for cheap when you need to and raise the price if there's demand. Offer 2-for-1 deals. Anything you need to do to get the students exchanging money and bananas. It's best if students do both buying and selling.

Note: It's probably best to collect all money and give the bananas to a few volunteers or even a banana to everyone in the class if you can. Not every student needs to buy a banana, just enough to gather some data for calculating.