

**HOW**  
— THE —  
**WORLD**  
**RUNS**

**WORKBOOK**

# COURSE INTRODUCTION

This course is geared for a high school student and should be treated as a core subject in the field of social science. Economics both in the macro and micro form is a basic preparatory course for life. Thus, this course should be treated as a 1 credit, full-year course, geared for the 14- to 18-year-old student.

In *How the World Runs (And Your Part in It)*, Generations introduces a biblical world and life view to the field of economics. Using simple language, down-to-earth examples, and helpful allegorical explanations, the course helps students understand complex economic ideas in simple terms. Efforts have been made to explain difficult concepts at a 14-year-old level without losing the substance of the conceptual meaning. It was our goal that not a paragraph be uninteresting, vague, or too difficult. The approach taken maximizes on life integration, crossing over from macro-economics to micro-economics (for the individual and the family) throughout.

Basic math skills (including fractions, percentages, multiplication, and division) are a pre-requisite for the course. Simple statistics like averages and standard deviations are introduced. However, the text avoids use of algebraic equations.

The text includes hundreds of relevant biblical passages included in the text, so as to be sure that the Word of God is a “frontlet” or a “sign” set before the learner at all times (Deut. 6:8-9).

## THE BIG PROJECT

This course requires work, not just schoolwork, but real work. To finish this course, the student will have to work. That may involve an entrepreneurial-business venture, a family economic project, or working for somebody else. If it is an entrepreneurial endeavor, the student will have to create a service or a product and sell it customer(s). If the work project involves laboring for somebody else, the student must still be involved at providing a product or service for customers. The work may or may not involve compensation or profit. That means the worker may not be paid for the work but may only profit by the experience. The work may be a construction project, a ministry project, lawn maintenance, a lemonade stand, writing a children’s book for distribution, or a thousand other possibilities.

The Big Project should involve at least 72 hours of actual work at a minimum, over a period of 9 months, or 8 hours per month, or 2 hours per week. As a recommendation (not a requirement), the student should work on the project for 5 hours per week.

Assignments relating to “the Big Project” are contained at the back of this study guide. However, the project may be started up at any point. All of this should be conducted under the supervision of the parent or teacher assigned to the course.

## A LITTLE MENTORSHIP

The second unique characteristic of this course is that it will require a mentor that can help the student with the big project. This is simply someone who is experienced in the field who can answer questions and provide guidance concerning the work. All of this should be conducted under the supervision of the parent or teacher assigned to the course.

## THIS STUDENT WORKBOOK INCLUDES:

1. Lesson Schedule
2. Vocabulary Exercises
3. Study Questions
4. Life Integration and Spiritual Application
5. Final Exam
6. The Big Project
7. Glossary
8. Answer Key

## COURSE OBJECTIVES

This course is dedicated to the glory of God and to the preeminence of the Lord Jesus Christ in all things. The essential objectives for the course must therefore be:

1. That our young men and women would begin to recognize the general calling God has on their lives.
2. That our young men and women would begin to recognize their talents and see the need to steward these talents.
3. That the students would see the sharp contrast between the world's hierarchy of values and priorities and God's values and priorities.
4. That the students would be able to apply God's law in the marketplace and wherever economic matters are involved.
5. That the students would be increasingly prepared to be good stewards, effective workers and producers, and thoughtful purchasers.
6. That the character of each student be better honed, that their identity as belonging to Christ be further established, and that they embrace God's purpose for their lives.

7. That the students be well equipped to understand economic markets, the workplace, entrepreneurship, how to get a job, how to be a good employee, how to communicate effectively in business, how to improve work performance, and what is a quality product or service.
8. That the students would be able to define success, and the things that contribute to success (or failure) in the workplace and the economy.
9. That the students would recognize the reasons for the failure of macro-economies in this generation.
10. That the students will learn by doing and begin to life integrate the knowledge they obtain in God's world of economy.
11. That our young men and women would know Scripture better and see its amazing relevance to every part of life (including economics), especially as the passages are meditated upon throughout the course.
12. That our students would learn to be more grateful and more ready to give God the praise and the glory for His goodness to us.

## TEACHING METHOD

In order for this course to have maximum effect, the teacher/parent should:

1. Realize the joy and excitement of exploring God's world, God's principles relating to money and economy, and the blessing He provides us.
2. Love God.
3. Accept the obligation to follow through on knowledge by real life application. This curriculum and lesson schedule is laid out in a carefully designed manner, such that the lesson culminates in thanksgiving to God and practical life application.

The following presents the order of the learning process:

1. Read the material.
2. Work on the Big Project.
3. Complete the written lessons.
4. Work on the Big Project.
5. Finish the Final Exam at the End.

The parent/teacher may consider reading the material out loud. The text is designed to be engaging

to all of our tween and teen children (ages 10-18), as well as parents and teachers.

## LESSON SCHEDULE

The lesson schedule is provided as a suggestion—teachers/parents and students may adapt the schedule to suit their needs. The lesson schedule is based on a 36-week school year divided into two semesters. The schedule involves 3 days per week reading the text and completing the workbook exercises, and 2 days working “The Big Project.” Of course, there may be flexibility as to how this ratio works out in a given week, or throughout the year. In other words, the book work will have to work around the student’s work schedule.

## GRADING

The Teacher/Parent may determine for themselves how they would grade the assignments. The following is recommended:

The Workbook Exercises are best suited for grading or at least checking for completion.

It is recommended that “The Big Project” be graded on the basis of the evaluations filled out by the mentor.

## FINAL COURSE GRADE VALUES

To calculate the final course grade the parent/teacher may use the following recommended weighted score:

The Big Project - 40%

Completion of Study questions - 50%

Final Exam - 10%

Final Grade =  $0.40 \times (\text{score for The Big Project}) + 0.50 \times (\text{Degree to which Lessons were Completed Satisfactorily}) + 0.10 \times (\text{final exam score})$

90 to 100 percent = A

80-89 percent = B

70 to 79 percent = C

60 to 69 percent = D

0 to 59 percent = F

Our prayer is that this course be a blessing for thousands of young students who will serve the Lord, seek His kingdom first, and bless others—their future families, church communities, and the world at large.

And God is able to make all grace abound toward you, that you, always having all sufficiency in all things, may have an abundance for every good work. As it is written:

“He has dispersed abroad, He has given to the poor; His righteousness endures forever.”

Now may He who supplies seed to the sower, and bread for food, supply and multiply the seed you have sown and increase the fruits of your righteousness, while you are enriched in everything for all liberality, which causes thanksgiving through us to God. (2 Corinthians 9:8-11)

The Generations Curriculum Team

March, AD 2022



## FIRST SEMESTER SUGGESTED DAILY SCHEDULE

How the World Runs

Note: The Big Project is assigned for two days a week. This may occur on any two days (Monday through Saturday).

Date	Day	Assignment	Due Date	√	Grade
First Semester-First Quarter					
Week 1	Day 1	Read Introduction			
	Day 2	Begin Reading Chapter 1			
	Day 3	Finish Reading Chapter 1			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 2	Day 1	Complete Chapter 1 Vocabulary Terms and Study Questions			
	Day 2	Begin Chapter 1 Life Integration and Spiritual Application			
	Day 3	Finish Chapter 1 Life-Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 3	Day 1	Begin Reading Chapter 2			
	Day 2	Continue Reading Chapter 2			
	Day 3	Finish Reading Chapter 2			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 4	Day 1	Complete Chapter 2 Vocabulary Terms and Study Questions			



Date	Day	Assignment	Due Date	√	Grade
Week 4	Day 2	Complete Chapter 2 Supply and Demand Exercises			
	Day 3	Complete Chapter 2 Life Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 5	Day 1	Begin Reading Chapter 3			
	Day 2	Continue Reading Chapter 3			
	Day 3	Finish Reading Chapter 3			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 6	Day 1	Complete Chapter 3 Vocabulary Terms and Study Questions			
	Day 2	Begin Chapter 3 Life-Integration and Spiritual Application			
	Day 3	Finish Chapter 3 Life-Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 7	Day 1	Begin Reading Chapter 4			
	Day 2	Continue Reading Chapter 4			
	Day 3	Finish Reading Chapter 4			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 8	Day 1	Complete Chapter 4 Vocabulary Terms and Study Questions			
	Day 2	Begin Chapter 4 Life-Integration and Spiritual Application			

Date	Day	Assignment	Due Date	√	Grade
Week 8	Day 3	Finish Chapter 4 Life-Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 9	Day 1	Begin Reading Chapter 5			
	Day 2	Continue Reading Chapter 5			
	Day 3	Finish Reading Chapter 5			
	Day 4	The Big Project			
	Day 5	The Big Project			
First Semester-Second Quarter					
Week 1	Day 1	Complete Chapter 5 Vocabulary Terms			
	Day 2	Begin Chapter 5 Study Questions			
	Day 3	Complete Chapter 5 Study Questions			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 2	Day 1	Begin Chapter 5 Life Integration and Spiritual Application			
	Day 2	Continue Chapter 5 Life Integration and Spiritual Application			
	Day 3	Finish Chapter 5 Life Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 3	Day 1	Begin Reading Chapter 6			
	Day 2	Continue Reading Chapter 6			

Date	Day	Assignment	Due Date	√	Grade
Week 3	Day 3	Finish Reading Chapter 6			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 4	Day 1	Complete Chapter 6 Vocabulary Terms			
	Day 2	Begin Chapter 6 Study Questions			
	Day 3	Complete Chapter 6 Study Questions			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 5	Day 1	Begin Chapter 6 Life Integration and Spiritual Application			
	Day 2	Continue Chapter 6 Life Integration and Spiritual Application			
	Day 3	Finish Chapter 6 Life Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 6	Day 1	Begin Reading Chapter 7			
	Day 2	Continue Reading Chapter 7			
	Day 3	Finish Reading Chapter 7			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 7	Day 1	Complete Chapter 7 Vocabulary Terms			
	Day 2	Begin Chapter 7 Study Questions			
	Day 3	Complete Chapter 7 Study Questions			

Date	Day	Assignment	Due Date	√	Grade
Week 7	Day 4	The Big Project			
	Day 5	The Big Project			
Week 8	Day 1	Begin Chapter 7 Life Integration and Spiritual Application			
	Day 2	Continue Chapter 7 Life Integration and Spiritual Application			
	Day 3	Finish Chapter 7 Life Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 9	Day 1	Begin Reading Chapter 8			
	Day 2	Continue Reading Chapter 8			
	Day 3	Finish Reading Chapter 8			
	Day 4	The Big Project			
	Day 5	The Big Project			
Mid-Term Grade					

## SECOND SEMESTER SUGGESTED DAILY SCHEDULE

Date	Day	Assignment	Due Date	√	Grade
Second Semester-Third Quarter					
Week 1	Day 1	Complete Chapter 8 Vocabulary Terms			
	Day 2	Begin Chapter 8 Study Questions			
	Day 3	Complete Chapter 8 Study Questions			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 2	Day 1	Begin Chapter 8 Life Integration and Spiritual Application			
	Day 2	Continue Chapter 8 Life Integration and Spiritual Application			
	Day 3	Finish Chapter 8 Life Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 3	Day 1	Begin Reading Chapter 9			
	Day 2	Continue Reading Chapter 9			
	Day 3	Finish Reading Chapter 9			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 4	Day 1	Complete Chapter 9 Vocabulary Terms			
	Day 2	Begin Chapter 9 Study Questions			
	Day 3	Complete Chapter 9 Study Questions			
	Day 4	The Big Project			

Date	Day	Assignment	Due Date	√	Grade
	Day 5	The Big Project			
Week 5	Day 1	Begin Chapter 9 Life Integration and Spiritual Application			
	Day 2	Continue Chapter 9 Life Integration and Spiritual Application			
	Day 3	Finish Chapter 9 Life Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 6	Day 1	Begin Reading Chapter 10			
	Day 2	Continue Reading Chapter 10			
	Day 3	Finish Reading Chapter 10			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 7	Day 1	Complete Chapter 10 Vocabulary Terms			
	Day 2	Begin Chapter 10 Study Questions			
	Day 3	Complete Chapter 10 Study Questions			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 8	Day 1	Begin Chapter 10 Life Integration and Spiritual Application			
	Day 2	Continue Chapter 10 Life Integration and Spiritual Application			
	Day 3	Finish Chapter 10 Life Integration and Spiritual Application			

Date	Day	Assignment	Due Date	√	Grade
Week 8	Day 4	The Big Project			
	Day 5	The Big Project			
Week 9	Day 1	Begin Reading Chapter 11			
	Day 2	Continue Reading Chapter 11			
	Day 3	Finish Reading Chapter 11			
	Day 4	The Big Project			
	Day 5	The Big Project			
Second Semester-Fourth Quarter					
Week 1	Day 1	Begin Chapter 11 Study Questions			
	Day 2	Continue Chapter 11 Study Questions			
	Day 3	Complete Chapter 11 Study Questions			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 2	Day 1	Begin Chapter 11 Life Integration and Spiritual Application			
	Day 2	Continue Chapter 11 Life Integration and Spiritual Application			
	Day 3	Finish Chapter 11 Life Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 3	Day 1	Begin Reading Chapter 12			
	Day 2	Continue Reading Chapter 12			
	Day 3	Finish Reading Chapter 12			
	Day 4	The Big Project			

Date	Day	Assignment	Due Date	√	Grade
	Day 5	The Big Project			
Week 4	Day 1	Complete Chapter 12 Vocabulary Terms			
	Day 2	Begin Chapter 12 Study Questions			
	Day 3	Complete Chapter 12 Study Questions			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 5	Day 1	Begin Chapter 12 Life Integration and Spiritual Application			
	Day 2	Continue Chapter 12 Life Integra- tion and Spiritual Application			
	Day 3	Finish Chapter 12 Life Integration and Spiritual Application			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 6	Day 1	Begin Reading Chapter 13			
	Day 2	Continue Reading Chapter 13			
	Day 3	Finish Reading Chapter 13			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 7	Day 1	Complete Chapter 13 Vocabulary Terms			
	Day 2	Begin Chapter 13 Study Questions			
	Day 3	Complete Chapter 13 Study Questions			
	Day 4	The Big Project			
	Day 5	The Big Project			



Date	Day	Assignment	Due Date	√	Grade
Week 8	Day 1	Begin Chapter 13 Life Integration and Spiritual Application			
	Day 2	Finish Chapter 13 Life Integration and Spiritual Application			
	Day 3	Study for Final Exam			
	Day 4	The Big Project			
	Day 5	The Big Project			
Week 9	Day 1	Study for Final Exam			
	Day 2	Study for Final Exam			
	Day 3	Complete Final Exam			
	Day 4	The Big Project			
	Day 5	The Big Project			
Final Grade					

# HUMAN MOTIVATION—WHAT MAKES THE WORLD RUN?



## VOCABULARY AND TERMS

The following words or terms appear in the reading. Look up the definitions for each word in the glossary or in a dictionary. Match the word with the correct definition provided below.

\_\_\_\_\_ 1. Motivation

\_\_\_\_\_ 2. Repercussions

\_\_\_\_\_ 3. Despair

\_\_\_\_\_ 4. Demand

\_\_\_\_\_ 5. Profit

\_\_\_\_\_ 6. Value

\_\_\_\_\_ 7. Economics

a. the quantity of a commodity or service wanted at a specified price and time

b. the monetary gain you get from investing capital in a business or effort of some kind

c. an effect or result, often indirect or remote, that comes from some event or action

d. a need or desire that encourages a person to act

e. the worth of something

f. to lose all hope or confidence

g. money or assets used to start a business or investing in business

\_\_\_\_\_ 8. Prime Mover

h. God, who is the ultimate Cause for all that happens

\_\_\_\_\_ 9. Vanity

i. emptiness or worthlessness

\_\_\_\_\_ 10. Investing

j. to manage somebody else's property

\_\_\_\_\_ 11. Capital

k. the study of how wealth or value is produced, consumed, and transferred

\_\_\_\_\_ 12. Steward

l. Putting your money into something while expecting a profit from it

\_\_\_\_\_ 13. Competition

m. rivalry between people or companies trying to buy or sell more of the same product

## STUDY QUESTIONS

1. How much of the Bible is taken up with the subject of Economics?

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2. How is the word "Oikos-despoteo" translated in 1 Timothy 5:14?

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3. How does the world view money or mammon?

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4. How will we ever recover from bad economic policies that are destroying our national economies?

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5. What is the primary cause behind all of the activity going on in the world? What makes everything function in the world? What part of Romans 11:36 speaks to this?

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6. Where does our physical energy come from?

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7. What motivates the average man of the world to get out of bed in the morning?

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8. What happens to men of the world who lose motivation to make money and build their kingdoms?

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9. What do typical people in the world hope for?

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10. What is the Christian's highest goal or purpose in life?

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11. What is the strongest driving force in the world?

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12. Jesus said, "You cannot serve God and \_\_\_\_\_."

13. What is our identity in relation to Jesus Christ (as Christians)? In your own words, explain how your identity is tied into your motivation for getting out of bed and getting things done.

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14. How do we look at our paychecks or money rewards received (as Christians)?

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15. What are the three steps to supplying a demand?

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**LIFE INTEGRATION AND SPIRITUAL APPLICATION**

1. If you are a young man, what does 1 Timothy 5:8 mean for your life?

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If you are a young woman, what does 1 Timothy 5:14 and Titus 2:5 mean for your life?

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2. What is expected of a son or daughter for six days per week in Exodus 20:9-11? What is expected of a son or daughter on one day per week?

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3. Read Ecclesiastes 2:9-11.

What was Solomon's conclusion concerning all of the pleasure, all of his wealth, and all of his accomplishments in life (according to verse 11)?



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4. Read Ecclesiastes 2:21-23.

How much reward does a man get for his work? What about the man who is a workaholic? How does Solomon describe this man's fulfillment?

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5. Read Ecclesiastes 5:10-17.

What is the end effect on the person who loves silver (money)?

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What does the rich man lose, according to verse 12?

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What can you take with you when you die (of everything you have purchased or earned) according to verse 15?

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6. What is the whole conclusion to the matter, as recorded in Ecclesiastes 12:13?

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7. Study the Parable of the Wise Steward in Luke 16:1-13 once more.

Why was the rich landowner happy with the steward?

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Whose money and resources are we stewarding as Christians?

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What does God want you to do with the resources He has given you? How would you apply the steward's example to your life?

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8. Read the following taken from 1 Timothy 6:9-10. "But those who desire to be rich fall into temptation and a snare, and into many foolish and harmful lusts which drown men in destruction and perdition. For the love of money is a root of all kinds of evil, for which some have strayed from the faith in their greediness, and pierced themselves through with many sorrows."

What are the two human tendencies that are so dangerous as described here?

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9. What are the two resources that God has given you?

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Where are you investing your time? Over the next week, take an inventory of your time usage. How do you spend your 110 waking hours each week? Fill in the following table.

**HOW DO YOU SPEND YOUR 110 WAKING HOURS?**

	Ideal	Actual
1. Personal Bible Reading and Prayer		
2. Family Worship		
3. Church Meetings/Bible Studies		
4. Study/School		
5. Work /Making Money		
6. Preparing Food		
7. Shopping		
8. Eating		
9. Personal Hygiene		
10. Travel		
11. Listening to the Word - Good Spiritual Music while Traveling		
12. Cleaning House/Chores		
13. Serving Widows/ Brothers and Sisters in Church		
14. Extra Reading		
15. Entertainment /Recreation		

10. Which of the following motivations are stronger with you?

a. The motivation to compete with somebody else for money or rewards

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b. The motivation to serve somebody, to bless somebody, to relieve suffering

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c. The motivation to serve the Lord Jesus Christ

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# THE LAWS OF SUPPLY AND DEMAND

# 2

## VOCABULARY AND TERMS

The following words or terms appear in the reading. Look up the definitions for each word in the glossary or in a dictionary. Match the word with the correct definition provided below.

\_\_\_\_\_ 1. Supply

\_\_\_\_\_ 2. Investment

\_\_\_\_\_ 3. Perdition

\_\_\_\_\_ 4. Real Useful Value

\_\_\_\_\_ 5. Perceived Useful Value

\_\_\_\_\_ 6. Exchange Value

a. the customers' evaluation of the merits of a product or service

b. the management of revenues; the conduct or transaction of money matters generally, especially those affecting the public, as in the fields of banking and investment

c. Some things which are needful for life and have practical benefit to human life

d. the state or quality of being useful; usefulness

e. utter destruction or ruin

f. preoccupation with or emphasis on material objects, comforts, and considerations, with a disinterest in or rejection of spiritual values

\_\_\_\_\_ 7. Market

g. organizing and managing any enterprise, especially a business, usually with considerable initiative and risk

\_\_\_\_\_ 8. Materialism

h. insufficiency or shortness of supply; dearth

\_\_\_\_\_ 9. Mammon

i. the course of commercial activity by which the exchange of commodities is affected: extent of demand

\_\_\_\_\_ 10. Utility

j. a quantity of something on hand or available, as for use; a stock or store

\_\_\_\_\_ 11. Scarcity

k. all the features and characteristics of a product or service that bear on its ability to satisfy customers' needs or expectations; the degree of excellence in the product or service

\_\_\_\_\_ 12. Trade

l. to offer goods or services at an unreasonably lower price or rate than a competing price or rate

\_\_\_\_\_ 13. Finance

m. the chance that an investment will lose value

\_\_\_\_\_ 14. Undercutting Market

n. the services performed by workers for wages

\_\_\_\_\_ 15. Quality

o. a source of supply or support: a natural source of wealth or revenue

\_\_\_\_\_ 16. Resources

p. the act or process of buying, selling, or exchanging commodities, at either wholesale or retail, within a country or between countries

\_\_\_\_\_ 17. Labor

q. value set on a product by the market

\_\_\_\_\_ 18. Risk

r. the outlay of money usually for income or profit

\_\_\_\_\_ 19. Entrepreneurship

s. material wealth or possessions especially as having a debasing influence

## STUDY QUESTIONS

1. What are some examples of things that are needful in life?

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2. What would you consider to be luxuries? What would people living in 1910 consider to be luxuries?

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3. What sorts of things have a perceived useful value, but lack the value once the thing is purchased?

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4. What is the exchange value for a 2015 Toyota Camry SE for sale in your city? What is the market price right now for the car, as advertised in a newspaper, magazine, or online? Find three examples and take the average price. (The student should access these resources with oversight from a parent/teacher.)

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5. From the list given in the text on pages 17-19, what are the influences that increase demand in the following examples? (More than one may apply.)

- a. Demand for Vitamin C in the winter time
- b. Demand for T-shirts with the Superbowl or World Cup team winner emblazoned on it
- c. Demand for automatic garage openers
- d. Demand for playing the lottery when signs indicate the winnings are \$10 billion

6. What is covetousness?

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7. What are the unhealthy elements driving market demands?

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8. What is a good indication that a spoiled kid has been getting too many treats or luxuries?

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9. Why is an auction a good place to determine the value of something?

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10. What is a “free market trade?”

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11. When people are bargaining in the open market, what does the seller want? What does the buyer want?

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12. What are the factors that tie into the pricing of a used car?

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13. Why does supply rise when the price of a product goes up in a given market?

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14. Why does demand go down, when the price of a product goes up in a given market?

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15. What is market equilibrium?

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16. What is elasticity? Give an example of a product with high elasticity as well as a product with low elasticity.

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17. What did Malthus forget about when he got people worried about the world running out of food?

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18. What are the four things you need in order to supply the world with a product they can purchase and use?

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19. How much labor cost does it take to build a house, a car, or a table, or a deck? Do the math on the following table, given the average hours and hourly wage costs provided. You might use a different hourly wage if you live in a different country.

Product	Hours to Make It	Hourly Wage	Labor Costs
House (2000 sq. ft., 186 sq. m.)	2,400 hours	\$16.36	
Automobile, assembly	30 hours	\$16.36	
Kitchen Table	8 hours	\$16.36	
Deck (300 sq ft. 28 sq. m.)	120 hours	\$16.36	

20. What ultimately governs the success of our work? Who brings forth the increase?

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## SUPPLY AND DEMAND EXERCISES

1. Produce a Supply-Demand Chart for Lemonade in Your City

Prices will range from \$1.00 to \$6.00 for 16 ounces of Lemonade.

Quantities will range from 0 - 500



The Lemonade Stand Inc. says that they are willing to produce the following quantities of lemonade at the associated prices. Draw the Supply Line on the Graph above.

Price/Unit	Cups of Lemonade
\$1.00	175
\$2.00	225
\$3.00	300
\$4.00	350
\$5.00	425

After testing out the market, the Lemonade businesses have learned that people are willing to buy lemonade at the following prices.

Price/Unit	Cups of Lemonade
\$1.00	500
\$2.00	425
\$3.00	350
\$4.00	225
\$5.00	175

Shade in the area of Shortage

Shade in the area for Surplus

a. At a price of \$1.00 would there be a surplus or a shortage? \_\_\_\_\_

b. How many units under or over? \_\_\_\_\_

c. At a price of \$4.00 would there be a surplus or shortage? \_\_\_\_\_

d. How many units under or over? \_\_\_\_\_

e. Where is the equilibrium? \_\_\_\_\_

2. Fill in the following chart for elasticity of price. Remember elasticity is the measurement of change in demand divided by the measurement of change in price. Anything under 1.0 is inelastic. Anything over 1.0 is elastic. State whether the product is elastic or inelastic.

Product	Demand Change	Price Change	Elasticity	Elastic or Inelastic?
Luxury Diamonds	-5%	30%		
Gas	10%	-30%		
Salt	-10%	20%		
Instant Coffee	50%	30%		

Product	Demand Change	Price Change	Elasticity	Elastic or Inelastic?
Baked Beans	100%	-25%		
Financial Magazine	-30%	10%		

## LIFE INTEGRATION AND SPIRITUAL APPLICATION

1. Read Matthew 7:12 again (the Golden Rule). What is at least one way this might apply to how you treat competitors or how to treat customers in business?

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2. Consider Proverbs 23:19-21 and 1 Timothy 6:6-8. What are the indications that you have given way to sin with materials, luxuries, and pleasures of this world?

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3. Consider the warning in 1 Timothy 6:9-10. What is your view of money? Are you drawn to getting rich? Is your foot anywhere near this trap - the trap of the love of money?



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4. Consider 1 Thessalonians 5:18: “In everything give thanks; for this is the will of God in Christ Jesus for you.”

Do you thank God for your meals? \_\_\_\_\_

Do you thank God for your snacks? \_\_\_\_\_

Do you thank God for your hard trials? \_\_\_\_\_

Do you thank God for your school subjects that are really hard? \_\_\_\_\_

Do you thank God for your parents? \_\_\_\_\_

Do you thank God for your siblings (if you have brothers or sisters)? \_\_\_\_\_

Do you thank God for your church? \_\_\_\_\_

What are the things you do not thank God for?

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5. Are there any material things you want to buy? Why do you want to buy these things? Do you think that these are good reasons or bad reasons?

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6. Is there an idol in your life? Is there something you love more than God? What would that be?

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