A Market in Ancient China

(Based on a lesson by Edna Cain & Martha Hopkins)

MCj02988690000[1]

**Introduction:** Assuming the role of Chinese merchants, students will participate in two exchanges; first bartering then purchasing items on their shopping list using “knife money”.

**Objectives:**

* The student will understand the concept of barter, or trade
* The student will discover that bartering can be time consuming and difficult
* The student will be introduced to early forms of money used in China
* The student will discover the merits of using money as a means of exchange
* The student will be introduced to the various goods and services produced by the people in Ancient China

**Virginia Standards of Learning:**

**K.7b** The student will recognize that people use money to purchase goods

**2.8** The student will distinguish between the use of barter and money in the exchange for goods and services.

**Materials:**

* Student Shopping Lists
* Student Merchant Labels
* Sets of Product Cards
* Sets of Chinese Money
* Colored Paper
* Tape for Merchants’ Labels
* Envelops (two for each student)
* Visuals- **What is Money?** and **The Attributes of Money**

**Procedure**:

* Prepare materials prior to class.
  1. Create Visuals.
  2. Copy and cut out shopping lists using colored paper. (two per student)
  3. Copy and cut out Merchant Labels. (two per student)
  4. Make copies of Product Cards. Cut out. (To determine the number to make, take the number of copies of the Shopping Lists made and multiply by five. In each round, each student will need five product cards for the product they are trading.)
  5. Make copies of the Knife Money sheet. Each student needs three of these cards for the second round.
  6. Prepare two sets of envelopes so that each student will receive one envelope in each of the two rounds of the game. Label the envelopes, “Round 1” ad Round 2”. For Round 1, place a Shopping List, a Merchant’s Badge and the five matching Product Cards in the corresponding envelopes.
  7. Create Round 2 envelopes just as you did for Round 1; add three “Knife Money” cards to each Round 2 envelope.

**Round 1: Bartering for Goods**

Tell students that they will be taking part in a simulation during which each of them will be a merchant in Ancient China. There were no Wal-Marts in Ancient China. Therefore, most people tried to produce all that they needed to exist on small family farms. Sometimes they produced more than they needed, which allowed them to take their surplus goods to market to try to trade for things they couldn’t produce.

1. Each merchant has come to town to trade surplus goods to get some more of the things that they want. The products available for trade are:

A pound of salt A bushel of chili peppers A bushel of rice

A bushel of wheat A bushel of soybeans A kite

A bolt of silk A mariner’s compass A bushel of doufa

(All these products were produced in Ancient China. Doufa is similar to our modern day tofu. Kites and mariner’s compasses were invented by the Ancient Chinese.)

1. Explain to the students that each one will receive an envelop containing what they will be trading, five units of their product (kites, wheat, soybeans, etc.) and a shopping list of items they want to gather. Remind students that all people have different wants based on their personal tastes and preferences, so one student’s shopping list may be completely different from another student’s list. (Students will not have any “knife money” during the Round 1 of trading.)
2. Explain to the students that the objective of the game is to get all five items on their shopping lists. In this game items generally trade one for one. However, students will find that they will not always be able to trade directly. They might have to trade for something they don’t want or need so that they can trade again for something they do want. Explain that the first student to complete their shopping list should say, “I got it! I got it!” at which time all trading should stop while the teacher checks that student’s shopping list.
3. Give each student a Round 1 envelope. Students may hold it up as an advertisement during the activity.
4. Open the market.
5. Round 1 will end when a student has successfully completed his/her shopping list. Talk with the students about what kinds of problems they experienced during this round of trading. Talk about why they experienced these difficulties.

**Round 2**: **Purchasing Goods with Money**

1. Tell students that they are going back to the market with their surplus products to trade, but this time they will also have three units of “knife money” to help them complete their shopping list. Hand out Round 2 envelopes.
2. Open the market. The round will end when the first student has satisfied his/her shopping list. Again, discuss what happened in this round. Was it easier to get the things the students wanted? Why?
3. Collect envelops and cards for reuse.

**Closure: About Money**

1. At the conclusion of Round 2, talk with the students about which round of the game was easier. Compare how long it took them to complete their shopping lists in each round.
2. Summarize how money makes it easier to get the things we want. Talk about the functions of money using the transparency, **What is Money?** included in this lesson.
   * **Medium of Exchange –** it eliminates the need to find someone who has what you want and wants what you have;
   * **Unit of Account –** How many bushels of wheat should you trade to get a bolt of silk? Is a pound of salt worth more or less than a bushel of rice? Money provides us with an easier way to compare the value of things.
   * **Store of Value** – Suppose you don’t want to trade all of your salt right now. Will it keep? What if it rains on the way home from the market? Your salt would be ruined and you’d have nothing left to trade. Money, on the other hand, can be saved and spent again later.

**Extension Activity**:

If time allows, read the *Origins of Money* to the students. Display the visual **The Attributes of Money.** Read the information to the students. Ask them to help you fill in the grid with YES or NO for each criteria listed. Discuss the benefits of the different types of money used throughout history.

Ancient China’s Marketplace

Activity Cards

Shopping Lists

|  |  |  |
| --- | --- | --- |
| **You have**:  5 pounds of salt  **Trade until you have**:  1 bushel of rice  1 bushel of wheat  1 bushel of chili peppers  1 bushel of doufa  1 bolt of silk | **You have**:  5 bushels of wheat  **Trade until you have**:  1 pound of salt  1 mariner’s compass  1 bushel of rice  1 bolt of silk  1 bushel of soybeans | **You have**:  5 bolts of silk  **Trade until you have**:  1 bushel of soybeans  1 mariner’s compass  1 kite  1 bushel of wheat  1 pound of salt |
| **You have**:  5 bushels of chili peppers  **Trade until you have**:  1 bolt of silk  1 mariner’s compass  1 bushel rice  1 bushel of doufa  1 bushel of soybeans | **You have**:  5 Kites  **Trade until you have**:  1 bushel of chili peppers  1 bushel of wheat  1 pound of salt  1 mariner’s compass  1 bushel of doufa | **You have**:  5 Mariner compasses  **Trade until you have**:  1 bushel of soybeans  1 bolt of silk  1 kite  1 pound of salt  1 bushel of rice |
| **You have**:  5 bushels of rice  **Trade until you have**:  1 kite  1 bushel of doufa  1 mariner’s compass  1 bushel of wheat  1 bushel of chili peppers | **You have**:  5 Bushel of soybeans  **Trade until you have**:  1 bolt of silk  1 bushel of doufa  1 pound of salt  1 bushel of chili peppers  1 kite | **You have**:  5 bushels of doufa  **Trade until you have**:  1 bushel of soybeans  1 bushel of wheat  1 bushel of rice  1 kite  1 bushel of chili peppers |

Activity Cards

Ancient china’s Marketplace

Merchant Labels

|  |  |  |
| --- | --- | --- |
| Wheat  for  Sale | Salt  for  Sale | Chili  Peppers  for  Sale |
| Silk  for  Sale | Kites  for  Sale | Compasses  for  Sale |
| Rice  for  Sale | Soybeans  for  Sale | Doufu  for  Sale |

Activity Cards

|  |  |  |
| --- | --- | --- |
| This is:  [MCj04119040000%5b1%5d](http://www.spiritualresearchfoundation.org/spiritualresearch/spiritualhealing/castofevileye/images/Sea-Salt.gif)  One Bushel of **Wheat** | This is:  [Sea-Salt](http://www.spiritualresearchfoundation.org/spiritualresearch/spiritualhealing/castofevileye/images/Sea-Salt.gif)  One pound of **Salt** | This is:  MPj02020620000%5b1%5d  One Bushel of  **Chili Peppers** |
| This is  MCj01960640000%5b1%5d  One Bolt of **Silk** | This is:  MCj03556690000%5b1%5d  One **Kite** | This is:  MCj04325970000%5b1%5d  One Mariner’s **Compass** |
| This is: MCj04060380000%5b1%5d  One Bushel of **Rice** | This is:  MCj03513710000%5b1%5d  One Bushel of **Soybeans** | This is:  [bean_curd_j](http://www.standardfirst.com/bean_maker/bean_curd_j.jpg)  One Bushel of **Doufu** |

Activity Cards

Chinese Knife Money

|  |  |  |
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Visual

What is Money?

* + **Medium of Exchange** – it eliminates the need to find someone who has what you want and wants what you have
  + **Unit of Account** – How many bushels of wheat should you trade to get a bolt of silk? Is a pound of salt worth more or less than a bushel of rice? Money provides us with an easier way to compare the value of things.
  + **Store of Value** – Suppose you don’t want to trade all of your salt right now. Will it keep? What if it rains on the way home from the market? Your salt would be ruined and you’d have nothing left to trade. Money, on the other hand, can be saved and spent again later.

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Extension Activity-

The Origins of Money

A major factor in Shang economy (China circa. 1700 B.C.) was Bronze. After Shang craft workers found that mixing tin and copper created this precious metal, China was never the same. The Chinese made many things out of this new found metal. They traded these goods only within China’s boundaries, because of the mountains that made up the borders prevented them from the realization of other civilizations in the world.

In the beginning of the Shang Dynasty they used the shells of snails for money. But as the dynasty progressed they started using bronze coins and “Knife Money”. They used this money to buy things at the market and other places needed.

The Chinese invented paper money at the end of the eighth or beginning of the ninth century AD. Its original name was ‘flying money’ because it was so light and could blow out of one’s hand. The first paper money was strictly speaking, a draft rather than real money. A merchant could deposit his cash in the capital, receiving a paper certificate, which he could then exchange for cash in the provinces. This private merchant enterprise was quickly taken over by the government in 812. The technique was then used for the forwarding of local taxes and revenues to the capital. Paper “exchange certificates” were also in use. These were issued by government officials in the capital and were redeemable elsewhere in commodities such as salt and tea: When the Mongols came to power in China, they issued a quaint form of paper money called ‘silk notes’. The deposits behind this currency were not precious metals but bundles of silk yarn. All older money had to be cashed in and exchanged for silk notes, and the Mongols spread this unified currency all over the Empire and even beyond. By 1294, Chinese silk notes were being used as money as far afield as Persia. In 1965 two specimens of ‘silk notes’ were found by archeologists.

When Marco Polo visited China, he was so impressed by paper money that he wrote a whole chapter about it, describing everything about its manufacture and circulation. He described the manner in which it was issued: All these pieces of paper are issued with as much solemnity and authority as if they were of pure gold or silver; and on every piece a variety of officials, whose duty it is, have to write their names, and to put their seals. And when all is duly prepared, the chief officer deputed by the Khan smears the Seal entrusted to him with vermilion, and impresses it on the paper, so that the form of the Seal remains printed upon it in red; the Money is then authentic. Anyone forging it would be punished with death.

Visual-

# Attributes of Money

Money can be defined as “anything generally accepted in exchange for goods and services.”   Throughout history and in literature different items have been regarded as money.  Complete the table below.   Write the answer YES, NO or UNKNOWN in the squares if you think the currency listed meets the listed attributes.

**Defined** – Has a society agreed to use this item as money?

**Easy to Carry**– Can the money be easily used and transported from place to place?

**Durable** – Is the money strong?  Will it last a long time?

**Dividable** – Can the money be divided into smaller parts or do units exist?

**Distinctive** – Is the money relatively rare?  Would it be difficult to reproduce it?

CURRENCY       Defined               Easy to Carry             Durable              Dividable         Distinctive

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Buck Skins Native Americans |  |  |  |  |  |
| Tobacco Early Colonist |  |  |  |  |  |
| Trading Cards School Yard |  |  |  |  |  |
| Dollars U.S.A. Currency |  |  |  |  |  |
| Knife MoneyAncient China |  |  |  |  |  |