

# Trade Game: Pizzas and Cola

## Resources:

2x cans of cola

2x 2 litre bottles of cola

Plastic cups

A number of marker pens (preferably 'red')

Colouring-in Pizza templates (provided on next page)

## Instructions:

Split Students into 2 groups

### Group 1 is given:

2x Cola cans

a small number (e.g. 5) of plastic cups

a large number of the marker pens (at least as many as the number of students)

a large number of the Colouring-in Pizza templates

### Group 2 is given:

2x 2 litre bottles of Cola

a large number (e.g. 50) of plastic cups

a small number of the marker pens (perhaps only 2)

a small number of the Colouring-in Pizza templates (perhaps only 2 sheets)

The teams are told they will simulating an economy that makes only 2 goods (Pizzas and Cola). In round one, they are to make Pizzas only. To make a pizza, the group must colour-in the Pizza templates with their marker pens (I often just get them to 'dot the pieces of pepperoni' and 'circle around the crust'). They are then given 60 seconds to make as many as possible. Invariably, Group 1 will make more than Group 2 because they have the better pizza-making resources. They should record how many they make.

## Trade Game: Pizzas and Cola (continued):

In round two, the teams are to make Cola only. To make cola, the group must pour the cola they have (either from a can or a bottle) into the plastic cups until they are half full. They are then given 60 seconds to make as many as possible. Invariably, Group 2 will make more than Group 1 because they have the better cola-making resources. They should record how many they make.

The groups now have data on the output they can make of each good if they 'specialise' in the production of those goods. That enables them to draw a PPF. Due to the biased nature of the game, the two groups will have very different PPFs and therefore this will provide the platform from which to have a discussion about comparative advantage.

Now run a third round asking them how best to maximise global output and living standards (stressing that they will need eventually to consume both goods).

This should lead to the idea of specialisation, comparative advantage and trade (although at AS level, this only needs to be looked at superficially).

# Trade Game: Pizza template:

