Smart consumers

Levels 7 and 8

Economics and Business

Sample activities

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**Note:** Please see the accompanying Smart consumers resource document for supporting resources that can be printed and distributed to students or displayed on an interactive whiteboard.

Introduction to the sample activities

These sample activities are intended as a resource for teachers who are teaching financial literacy skills to students in Years 7 and 8. The content specifically addresses the Economics and Business curriculum area of the Victorian Curriculum F–10 at Levels 7 and 8.

The sample activities are based around a discussion of ‘Ten things smart consumers do’. Students learn about smart consumer behaviour, and the rights and responsibilities of consumers and business. They develop critical thinking skills and apply these as consumers, and they are encouraged to developed scepticism in relation to their personal exposure to marketing and advertising. Students also learn to seek maximum value for money when purchasing goods and services.

Teachers should select the activities they feel are relevant to the class they are working with.

These activities allow for differentiation of student learning. Students are generally able to work at their own level and progress accordingly.

Links to the Victorian Curriculum F–10

Relevant Levels 7 and 8 achievement standard extract

They explain the rights and responsibilities of consumers and businesses when making economics and business decisions. Students explain why and how individuals and businesses set, prioritise and plan for financial and organisational goals …

They evaluate the costs and benefits of each alternative response and identify the effects and potential consequences of these actions.

Links to content descriptions

* Investigate the rights and responsibilities of consumers and businesses in terms of financial and economic decision making [(VCEBC013)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCEBC013)
* Explain the reasons why and the ways in which individuals and businesses set, prioritise and plan to achieve financial and organisational goals [(VCEBC014)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCEBC014)
* Identify relationships and trends, and generate a range of alternatives for an economic or business issue or event, evaluating the potential costs and benefits of each alternative and the consequences of proposed actions [(VCEBE019)](https://victoriancurriculum.vcaa.vic.edu.au/Curriculum/ContentDescription/VCEBE019)

Sessions

Overview

Duration

5 × 60 minutes

Teacher resources

The following resources have been provided in the accompanying Smart consumers resource document. These resources could be printed and distributed to students or displayed via an interactive whiteboard.

* Ten things smart consumers do (16 pages)
* Shopping around table (1 page)
* Label your toys activity (1 page)

Session 1 – Why be a smart consumer?

Duration

60 minutes

Learning intentions

Students:

* understand that money and economic resources are finite (limited)
* understand why it is important to make sound personal economic decisions.

Activities

* Introduce students to the idea of economic decision making and the importance of making sound economic decisions:

We all go shopping to purchase/buy the products we use to satisfy our needs and wants. We use our money to pay for these things. Each of us has different amounts of money available with which we can pay for products. Very few people have so much money that they can afford to buy everything they need and want.

In other words, our money is limited, so we cannot satisfy all of our needs and wants. We must make economic decisions about which needs and wants we can pay to have satisfied. Consequently, most of us must make decisions about what we spend our limited amount of money on. These are economic decisions. Economic decisions involve making choices about how scarce (limited) economic resources are going to be used.

As a shopper, or a ‘consumer’, you should aim to get the most out the money you have available to you. This is often called getting ‘value for money’ or ‘the best bang for your buck’.

Today we will look at some ways we can all become smart consumers, make economic decisions that get us maximum satisfaction from the economic resources we have available, and spend our money more wisely.

* Watch the Consumer Affairs Victoria video [Scenario 1: The Grapple](https://www.consumer.vic.gov.au/resources-and-tools/teacher-resources/videos/clips-for-kids) (Snacky gets help from his friends after making mistakes about how to spend his money properly).
* Ask students:
* What needs does the Orange Grapple have at the beginning of the clip?
* How does the Orange Grapple decide to spend his money?
* Were any of the Orange Grapple’s needs or wants satisfied at the end of the clip? Why or why not?
* What is this video telling us about how we should make decisions about how to spend our money?
* Conduct a class discussion:
* What are some examples of good decisions in relation to spending and saving money? What are some bad decisions? What makes a decision about how money is spent ‘good’ or ‘bad’?
* Why it is important that we make good decisions about spending and saving money?
* What usually happens when we make bad decisions about how we spend our money?
* Students record one spending decision they made recently that was a good decision. Then discuss why it was a good economic decision to spend money on the product they purchased.
* Students share their decisions and justification of these in small groups.
* As a class, record on the whiteboard the different explanations of why a purchase is a ‘good’ decision.
* Students record a ‘bad’ purchasing decision they have made recently and why it was a bad decision.
* Students share their decisions and justifications in small groups.
* Again, as a class, record the different explanations.
* Students complete the following statements in their workbooks or as a think-pair-share activity.
* A bad decision about spending or saving money is one that …
* A good decision about spending or saving money is one that …
* Inform students that in the sessions to follow they will be looking at ten things we can all do in order to become smarter consumers and use our money more wisely.

Sessions 2–4 – Learning to be a smart consumer

Duration

3 × 60 minutes

Learning intention

Students understand and can apply ten strategies used by a smart consumer who makes good economic decisions.

Introducing the ten things smart consumers do

Information for students about the following ten steps is provided in the Smart consumers resources document. These ten steps could be printed and distributed to students or displayed via an interactive whiteboard.

For each step, lead a discussion considering the points given with each step. Some sample activities are also provided.

1. Smart consumers are sceptical

* Never just accept everything a salesperson or an advertisement tells you. Always remember they are trying to sell you something and may exaggerate things, leave out important information or even tell lies about a product.
* Before you hand over any money, always check the claims in an advertisement and/or if what the salesperson has told you is true.
* Think:
* What are they trying to sell you?
* Which parts of the advertisement or what the salesperson has told you are true or factual? Which parts are just to try to convince you?
* Remember, advertisements often exaggerate or leave out important information about a product. You need to be very **sceptical** when looking at advertisements.
* Always be prepared to say ‘NO’.
* The [ACCC website](https://www.accc.gov.au/consumers/advertising-promotions/false-or-misleading-claims) is a useful place to find out more about false and misleading claims.

Activities

* Introduce students to the term ‘sceptical’. Sceptical people are not easily convinced; they have doubts. A sceptical consumer will never just accept what they are told by a salesperson or an advertisement. They will need to be shown or be convinced that the product is worth buying.
* Students record a definition of a sceptical shopper. They explain why it is a good idea to be sceptical about claims made by sellers.
* Ask students to identify examples of when they have been sceptical or have seen someone behave sceptically before buying a product.
* Ask students: What questions could you ask the salesperson to check that the information they are telling you about a product is true?
* Instruct students to carefully read each of the points for this step. Ask:
* Why is it difficult to sometimes say ‘no’?
* How might you become more confident in saying ‘no’?
* Ask students to go to the [Australian Competition and Consumer Commission website.](https://www.accc.gov.au/consumers/advertising-promotions/false-or-misleading-claims) Students research and describe the types of claims that cannot be made in an advertisement in Australia. They then create a list of examples of claims made in an advertisement that would likely be illegal.
* Look at [drip pricing](https://www.accc.gov.au/consumers/online-shopping/drip-pricing). Ask students if they have ever encountered drip pricing. Ask:
* How can you avoid paying more than you intended because of drip pricing?
* How can a complaint be made?

Additional activities

* Watch the following video and use it to prompt discussion about the tactics advertisers use to get people to buy their products: [Scenario 4: The Dinosaur](https://www.consumer.vic.gov.au/resources-and-tools/teacher-resources/videos/clips-for-kids), Consumer Affairs Victoria (Quacky and Acky need to ‘get real’ when dealing with product advertising). Discuss:
* What mistakes do Quacky and Acky make?
* How could they have avoided this happening?
* How would it have helped if they had been sceptical about the advertisement?
* Show students print, online or video advertisements aimed at teenagers. (Hint: Search YouTube for ‘Australian advertisements 2019’ or ‘Australian advertisements 2020’). Ask students to discuss and identify the following after viewing each advertisement. Encourage them to be sceptical.
* What is the product being advertised?
* Describe the type of people the advertisement is aimed at.
* How are the advertisers trying to persuade people to purchase the product?
* Is the advertisement being entirely truthful in its claims? Has anything been exaggerated? Are any untruths obvious?

2. Smart consumers make the most of their money

* Always try to compare the price across at least three different sellers to see if you can find a cheaper price.
* Consider the quality of the product you want to buy compared to the price it is being offered for.
* Aim to pay the lowest price for the best quality product.
* Think:
* What things are most important to me with this purchase? What can I afford?
* Is the purchase likely to be good value for money?
* Is it worth paying more if I get a better quality product?
* If I pay less and get a poorer quality product, will I still be satisfied?
* How often will I use this product?
* How long does it need to last?

Activities

* Read through each of the points and discuss them. Emphasise that the goal should always be to get the best possible product at the lowest price available.
* Ask students to think about the following when making a purchase:
* What things are most important to me with this purchase? What can I afford?
* Is the purchase likely to be good value for money?
* Is it worth paying more if I get a better quality product?
* If I pay less and get a poorer quality product, will I still be satisfied?
* How often will I use this product?
* How long does the product need to last?
* Ask students: If you are looking to buy each of the following, what factors would you consider when making the decision about which specific product to purchase?
* a pair of sports shoes
* a hamburger for lunch
* a mobile phone

3. Smart consumers do not buy on impulse

* An impulse purchase is:
* unplanned and usually sudden
* usually not thought through
* often a bad decision.
* Think:
* When was the last time I made a purchase on impulse? Was it a wise purchase?
* How can we avoid making impulse purchases?

Activities

* Ask students to come up with a definition for ‘impulse’ (a sudden strong and unplanned urge to do something).
* Go through each of the points. Explain that an impulse buy or purchase is one made without planning. Usually impulse buys are not carefully thought through, and they are often bad decisions. Smart consumers do not buy things on impulse.
* Emphasise the importance of planning before starting to shop.
* Ask students to contribute suggestions as to how impulse buying might be avoided (for example, do not shop while hungry).
* Lead a class discussion:
* When have you bought something on impulse? Was it a wise decision? Why or why not?
* How can we stop ourselves buying things on impulse?
* Watch one of the following videos to emphasise the importance of being conscious of the urge to buy on impulse. The videos also suggest ways to avoid impulsive shopping.
* ['The psychology behind impulse buying', WWLP-22News, YouTube](https://www.youtube.com/watch?v=dwr1qpSFnq4)
* ['Impulse buying', Today Tonight, YouTube](https://www.youtube.com/watch?v=L3caFkCaUaY)
* ['Simple ways to stop impulse buying', Money Talks News, YouTube](https://www.youtube.com/watch?v=45K2kQrHwEQ)

4. Smart consumer always plan ahead

* Before you start shopping, start planning.
* Make a list of the items you intend to buy.
* Consider: Do I really need these items? Or do I just want them?
* Work out how much money you are willing and able to spend on these purchases.
* If you go out to shop, take only the money you plan on spending. This will help you avoid the temptation of buying extra things without planning (impulse buying).
* If you shop online, set a strict budget and do not exceed this amount.

Activities

* Inform students that smart consumers always plan ahead. Discuss the following points with students:
* Before starting to shop it is wise to calculate how much money you have available to spend and make a commitment not to spend any more than this amount. You should make a list of all the items you intend to buy and only look to buy what is on this list.
* When shopping, take only as much money as you will need and no more. Stick to your budget. Avoid impulse buying (we usually regret unplanned purchases).
* Discuss how students could calculate how much things are likely to cost before shopping (for example, check prices online before leaving to go to the shops).
* Discuss: How does planning make for smarter shopping?

5. Smart consumers shop around

* Always check the price of a product you plan on buying with at least three different sellers.
* Check physical stores and online sites, including:
* local shops
* department stores
* discount stores
* factory outlets
* second-hand stores
* auction sites and buy/swap/sell sites
* online stores.

Activities

* Discuss with students that it is important to always check for the best deal available. To do this, decide exactly what you want to buy and then check prices and deals with at least three different sellers.
* Discuss the different types of stores and outlets listed. Ask students to come up with examples of each:
* local shops (for example, local newsagency, local pharmacy)
* department stores (for example, Myer, David Jones)
* discount stores (for example, Reject Shop)
* factory outlet (for example, Nike outlet store, DFO)
* second-hand stores (for example, Savers, Brotherhood of St Laurence)
* auction sites and buy/swap/sell sites (for example, eBay, Gumtree)
* online stores (for example, Amazon, Fishpond).
* Ask students if they know of any other types of retail outlets.

Additional activity

* Students could conduct an online search for an item of their choice. They would need to find the price of this item at three different stores or outlets and fill in a Shopping around table (see Smart consumers resources document) with the three prices and other relevant information.
* Students will require access to the internet to complete this activity.

6. Smart consumers read reviews about both products and sellers

* People who have purchased a particular product or who have bought something from a particular seller often write online reviews about their experiences.
* Read reviews of a product to get an idea about the quality of the product and whether it is good value for money.
* Read reviews of a seller to get an idea of the experiences of people who have bought products from them. For example, do they offer repairs if the product breaks?
* Reviews can be found online, in magazines and newspapers, or simply by asking people who have bought the product before.

Activities

* Read, consider and discuss online product reviews from people who have purchased a product. These reviews can provide important information about the quality of a product and whether the price is good value for money.
* Read, consider and discuss reviews from sources such as [Choice Magazine](https://www.choice.com.au/?gclid=CjwKCAiA_f3uBRAmEiwAzPuaMwIZQybTIZxcr0y4x8O4WG8iHGofjngg5ltT2_GnzsTdLIQU1X4cZxoCsHAQAvD_BwE). Choice tests products and publishes reviews and comparisons of different brands of the same type of product.
* Reviews can also be found on social media sites such as Facebook and Instagram. Think about whether a reviewer receives any benefit from providing a review. Should this change how you consider their review?
* Read customer reviews of sellers. By reading reviews you can find out if some stores offer better deals. Some also offer after-sales services such as repairs, free delivery and warranties. People who have bought products from sellers can offer advice based on their experiences. Remember, though, not all reviews are genuine. Look for patterns in comments.

Additional activity

* Students could write a brief review of two products they recently purchased. They should comment on aspects of the purchase such as value for money, customer service, quality and after-sales service.

7. Smart consumers always read the label carefully

* Never buy a product without looking carefully at the information on the label first.
* A product label contains important information that can help you decide whether you should buy the product or not.
* There are laws in Australia that make it compulsory for certain information to be included on the label of a product. This information can help you decide if the product is a good fit for how you want to use it.

Food labels

* Food labels in Australia must include:
* description of the type of food (e.g. ‘soup’, ‘soft drink’)
* net weight/volume (how much)
* use-by date (up to what date it is still good to consume)
* ingredient list (from most to least amounts)
* nutrition information panel
* allergy warnings
* name and address of manufacturer/supplier
* country of origin (where was it made)
* storage instructions (how best to keep the product safe to eat)
* lot/batch number (when it was made).

Clothing labels

* Australian clothing labels must include:
* the name of the country where the garment and its parts were made
* the fibre content (types of materials in the product)
* size
* any safety hazards
* information about how to care for the product, including:
  + how to clean the product safely
  + how to get the maximum life from the product
  + how to avoid damage when cleaning, washing or caring for the product.

Labels on toys

* Toy labels must contain information about safety risks and hazards. If you are ever unsure about what something on a label means, ask someone to help you.
* Toys should also display an age grading. This includes the suggested minimum age for the user – that is, the age at which the child will have the abilities to use the toy safely and appropriately. For example, a toy with small removable parts is not suitable for children under three years of age.

Activities

* Discuss labels with students. Labels contain important information about a product that will help you decide whether you should buy it or not. In Australia we have laws that make it clear what information must be provided on the label of certain products. Never buy a product without first reading the label carefully.
* Food labels contain important information that should be considered when deciding whether to make a purchase. There are laws that set out the information that must be provided on different types of food labels. Go through the legal requirements for an Australian food label. Make it clear what each category is. Use the [interactive labelling poster](https://www.foodstandards.gov.au/consumer/labelling/Pages/interactive-labelling-poster.aspx) at Food Standards Australia New Zealand to clearly identify and point out each component.
* Ask students to identify the relevant components for each of the example clothing labels given.
* Students should then do an analysis of the label on an item of clothing they are wearing (for example, their school jumper or shoes).
* Reiterate that labels on products such as toys must contain information about safety, including any relevant safety standard that the product meets and a safety warning about safe usage. Current safety standards for toys can be accessed in the [Standards catalogue at Standards Australia](https://www.standards.org.au/standards-catalogue/sa-snz/consumer/cs-018).
* Remind students that if they are ever unsure about what something on a product label means, they should ask someone to help them.
* Toys should have an age grading or age range on them, including the suggested minimum age for the user. Toys with removable small parts are not suitable for children under three years old. Why do you think this is the case?
* Look at the Label your toys activity (see Smart consumers resources document). Students suggest an appropriate age range for different toys. They give reasons for the ages suggested.

Additional activities

* Ask students to bring in examples of food labels. Students can work in groups and identify how each food label is compliant with Australian law.
* Students could design their own compliant food label.

8. Smart consumers check the displayed price

* In Australia displayed prices must:
* be easy to see (clear)
* show the total price (accurate)
* not be misleading.
* If a product is advertised with more than one price, the product must be sold at the lowest price shown.

Activities

* Provide students with copies of different price displays. Ask students:
* Does each price display meet legal requirements?
* Is the amount of GST displayed?
* What other information is provided?
* Ask students to design an appropriate price display.
* Go to the [Australian Competition and Consumer Commission website](https://www.accc.gov.au/consumers/prices-surcharges-receipts/price-displays) and answer the following:
* What is a single price? What things must be included in a single price display?
* What things do not need to be shown in a single price display?
* What types of things may be seen to be misleading when displaying a price?

9. Smart consumers look out for discounts and special deals

* Sometimes a seller might offer a special deal if you buy more than one item. For example:
* ‘Second item half price’
* ‘Two for the price of one’.
* Be wary of these types of deals. The seller is asking you to buy more than one product when you may not need an extra item. In the first case, they are really offering only a 25% discount for the total sale. In the second case, you might be better off looking for a discount price for one item rather than paying full price to get two items.
* Look for sales. Stores often have big sales where large discounts may be available.
* Always ask if you can get a better deal. (Sometimes you will be given a discount if you ask – especially if you are paying in cash.)
* When shopping online, look for special coupons or discount codes.

Activities

* Discuss the points with students. Sometimes a price reduction is offered if you buy more than one item. For example, ‘Second item half price’ means that if you buy two of something you will be charged only half the price for the cheaper item. Be wary about these offers as they require you to buy more items than you originally intended and this will often involve spending more money than you planned to. It is also important to note that a 50% discount on the second item is only a 25% discount on the two items, or even less if the first item is more expensive. Think carefully: Do I really need to buy two items? Will I use the second item?
* Sometimes a store will offer a percentage discount if an item is on sale (for example, 50%, 25% or even 70% reduction). This means you could purchase the product at a significantly lower cost.
* Distribute a variety of store catalogues or brochures advertising discounts and special deals. Working in groups students search the catalogues for the three biggest discounts by percentage and the three biggest discounts by dollar amounts. A calculator could be used. Students could then construct a table for each catalogue as below.

|  |  |
| --- | --- |
| **Name of store** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Product name and description** | **Original/usual price ($)** | **Discount in percentage (%)** | **New price ($)** | **Discount in dollars ($)** |
|  |  |  |  |  |
|  |  |  |  |  |

* Ask students: Which item in the catalogue is the best value for money? Give reasons.

10. Smart consumers keep the receipt

* A paper or digital receipt must be given to you when you make any purchase over $75. You should ask for a receipt for all items you purchase, as proof that you have bought the item from that seller at the particular price paid.
* Keep the receipt to:
* check carefully that you have been charged the correct amount
* use as your proof of purchase if you need to return or exchange the product.
* If you paid for an item using a credit or debit card, you can use your bank statement as a receipt.

Activities

* Discuss the points with students. For more information on pricing and receipts, visit the [Australian Competition and Consumer Commission website](https://www.accc.gov.au/consumers/prices-surcharges-receipts).
* Students bring in copies of receipts, or provide students with a pool of receipts. For each receipt students need to identify the following information:
* date of sale
* name of seller
* amount of tax (GST) paid
* items purchased
* total paid.

Session 5 – Are you a smart consumer?

Duration

60 minutes

Learning intention

Students apply critical thinking skills to reflect on and evaluate both the extent to which they are currently a smart consumer and how they could make smarter decisions as a consumer.

Activities

* Recap the ten strategies for becoming a smart consumer.
* Conduct an activity using two copies of the Shopping around table per student (see Smart consumers resources document). Students nominate two items that they would like to purchase for themselves. They record a description of the items in the tables. Students search online stores and obtain prices for each item. They record prices and the names of three different sellers in the appropriate columns.
* Ask: Who offers the best deal for the product and why?
* Students may note that this is a repeat of a previous activity. Encourage students to think about the differences in how they now approach this activity compared to before they learnt about the ten things smart consumers do.
* Ask: Are you now a smarter consumer?
* Ask students to list three things they have learnt about being a smart consumer during these sessions.
* Watch one of the following videos and use it to prompt a final discussion.
* [Scenario 3: The Money Box](https://www.consumer.vic.gov.au/resources-and-tools/teacher-resources/videos/clips-for-kids), Consumer Affairs Victoria (Wacky learns his lesson about the importance of thinking SMART and saving properly). Discuss:
  + Why is it important to save?
  + What mistakes are made by the ‘savers’ in this video?
  + Why is Wacky not able to save his money? What does his miss out on as a result?
* [Scenario 4: The Dinosaur](https://www.consumer.vic.gov.au/resources-and-tools/teacher-resources/videos/clips-for-kids), Consumer Affairs Victoria (Quacky and Acky need to ‘get real’ when dealing with product advertising). Discuss:
  + What mistakes do Quacky and Acky make?
  + How could they have avoided this happening?
  + How would it have helped if they had been sceptical about the advertisement?