

Humex Mock Economy

What will I learn?

- 1) Several key economic principles/terms: *opportunity cost, supply and demand, capitalism & socialism, profit, economic competition, management style, negotiating, poverty, societal value of the profit motive, exploitation.*
- 2) Some concepts from genetics: *The structure of nucleotides; the structure of DNA; the relationship between nucleotides and DNA; genetic mutation.*

What is an overview of what I'll be doing?

You will be competing against your classmates in a capitalist simulation in which you will be attempting to make as much money as possible. In this simulation, you will be either creating companies to produce genetic products, or working for others to do the same.

What if I don't get a job or own a factory?

If you do not work or own a factory, you will live in simulated poverty in a space called the Donkey Room. In that room, you will not be able to use your cell phone and you will be assigned a seat.

Why is there a Donkey Room?

In order for the Mock Economy to show how a real capitalist economy works, there need to be consequences for bad decisions and bad luck. Students who do not have a job will be in what is called "The Donkey Room." Because the Donkey Room is a place where students may not have cell phones and must sit in chairs it will be very uncomfortable, but so is poverty.

How do I create a company?

All students will start with the money earned during the class this year. Each period of the simulation, you can use that money to bid on factory spaces. If you successfully bid on a space, you may hire people to work to create the genetic products. Because anyone may bid on a factory, it is likely that you will have to pool your money with others to win a spot -- however, only one CEO per factory will be allowed.

If I successfully bid on a property, do I own it forever?

No, you will hold a lease for a period of time to be determined.

Is there anything else I should know about owning a property?

Yes. There will often be taxes collected for every seating space at your property. Additionally, there will be fines for littering and employees not following the rules.

How do I know what my company is supposed to create?

Anyone who is the CEO of a company will receive the directions to make the genetic products.

What will I receive for the genetic products that are made?

CEOs will be paid for the products according to the market price. The price will be high if there is a lot of demand; the price will be low if there is not much demand. Demand will be determined by how much product is being produced during a given time period and how much is being paid.

What do I do with the money received?

If you are a CEO, you will pay your workers the wage you determine.

What else will I need money for?

The Mock Economy money will be needed for nearly everything that happens in the Mock Economy: transportation, bathroom passes, purchasing materials for making genetic products, licenses for phone use, etc.

At the end of the simulation, there will be an auction in which you use your mock economy money to purchase real items of value.

Any other rewards?

Yes. At the end of the Mock Economy, the top 20% of the wage earners will get a full period off and get to go to Dunkin' Donuts. However, that reward will only happen if the majority of the Humex class votes that the Mock Economy was fair.

Can I lose money in Mock Economy?

You can be fined for not following the rules of the game. Additionally, you can lose money by making bad investments and decisions.

Will I be graded for Mock Economy?

Yes, you will receive a grade for your ability to follow the rules of the game.

Mock Economy Learning Targets & Debrief

- 1) I can explain what makes a good and bad employee.
- 2) I can explain how people make money off of other people's labor. (Surplus value of labor)
- 3) I can explain what makes a good and bad boss.
- 4) I can explain how a few bad decisions can lead to disaster.
- 5) I can explain how a few good decisions can lead to success.
- 6) I can explain how poverty is painful.
- 7) I can explain why poor people break stuff and don't fix it.
- 8) I can explain how the environment you are in shapes the decisions you make.
- 9) I can explain how competition increases productivity.
- 10) I can explain how poverty dulls ambition.
- 11) I can explain how hard it is to get out of poverty if you've been in it for a while.
- 12) I can explain how whatever situation you are in can become comfortable.
- 13) I can explain how fear of losing what you have can increase motivation.
- 14) I can explain how the power of the situation can dictate my behavior.