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| **TEXAS CTE LESSON PLAN**[www.txcte.org](http://www.txcte.org) |
| **Lesson Identification and TEKS Addressed** |
| **Career Cluster** | Business Management and Administration |
| **Course Name** | Global Business |
| **Lesson/Unit Title** | The Role of the International Monetary System |
| **TEKS Student Expectations** | **130.140 (c) Knowledge and Skills**(3) The student analyzes the role of the international monetary system in the economy. The student is expected to:1. describe the role of the International Monetary Fund;
2. argue for and against floating exchange rates;
3. argue for and against fixed exchange rates; and
4. calculate foreign exchange rates.
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| **Basic Direct Teach Lesson**(Includes Special Education Modifications/Accommodations and one English Language Proficiency Standards (ELPS) Strategy) |
| **Instructional Objectives** | **Performance Objective**The purpose of this lesson is to help students gain a basic understanding of the IMF, the pros and cons of both flexible and fixed exchange rates, and be able to calculate exchange rates.**Specific Objectives*** Describe the role of the International Monetary Fund.
* Argue for and against flexible (floating) exchange rates.
* Argue for and against fixed exchange rates.
* Calculate foreign exchange rates
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| **Rationale** | The International Monetary Fund (IMF) plays a crucial role in our global economy and the ways in which countries trade with and take loans from other countries. One of its main responsibilities is to economically strengthen its member countries, which currently consists of 188 countries. This lesson helps students gain a basic understanding of the IMF and the pros and cons of two types of exchange rates, as well as how to calculate exchange rates. |
| **Duration of Lesson** | 3 class periods (45-minutes) |
| **Word Wall/Key Vocabulary***(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | **Terms:*** **International Monetary Fund (IMF)** – An agency that helps to promote economic cooperation by maintaining an orderly system of world trade and exchange rates.
* **Pro** – An argument, consideration, vote, etc., for something.
* **Con** – An argument, consideration, vote, etc., against something.
* **Exchange Rate** – Price for which the currency of a country can be exchanged for another country's currency.
* **Floating Exchange Rate** – A system in which currency values are based on supply and demand.
* **Fixed Exchange Rate** – System in which the value of a country's currency, in relation to the value of other currencies, is maintained at a fixed conversion rate through government intervention.
* **Foreign Exchange Rate** – Conversion rate of one currency into another. This rate depends on the local demand for foreign currencies and their local supply, country's trade balance, strength of its economy, and other such factors.
* **Calculate** – To determine by mathematical methods.
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| **Materials/Specialized Equipment Needed****(Coming Soon!)** | **Instructional Aids:*** Access to YouTube and IMF sites
* Access to businessdictionary.com and dictionary.com
* Textbook
* Access to XE website (to calculate exchange rates)

**Materials Needed:*** Lesson 1.3-Formal Assessment
* Lesson 1.3-Formal Assessment Key

**Equipment/Software Needed:*** Projection unit
* Instructor computer
* Internet access
* Electronic system for taking notes
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| **Anticipatory Set**(May include pre-assessment for prior knowledge) | **ASK**: Do you know what the IMF is?**ASK**: Do you know the role of the IMF?**ASK**: Do you know what an exchange rate is?**ASK**:Do you know which is better…a fixed rate or a floating rate?**ASK**: Did you know there is a website that can tell you how much the US dollar is worth in other countries?**ASK**: If you weretraveling to another country, wouldn’t it be nice to know how much power yourdollar has there?**SAY**:Today we’re going to talk about the IMF, learn its role, determine which is better; either afixed exchange rate or a floating exchange rate, and practice calculating exchange rates using an online calculator. |
| **Direct Instruction \*** | Introduction (Day 1)Lesson ObjectivesNeed to Know Terms. (See provided presentation for details.)1. Guided Instruction (Day 1)
	1. Instruction—“What is the IMF?” video(s)
	2. Class discussion questions

*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*This lesson may be modified to accommodate your students with learning differences by referring to the files found on the Career & Technical Special Populations page of this website (<http://cte.unt.edu/>). |
| **Guided Practice \*** | * What are the pros and cons of floating and fixed exchange rates? Are there other reasons that aren’t listed?
* “How Exchange Rates Might Affect You” activity.
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| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | None |
| **Lesson Closure** | * Can you identify the role of the International Monetary Fund (IMF)?
* Can you argue for (pros) and against (cons) fixed exchange rates?
* Can you argue for (pros) and against (cons) flexible exchange rates?
* Can you calculate foreign exchange rates?
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| **Summative / End of Lesson Assessment \*** | **The Role of the International Monetary System**Formal Assessment**Objective:** To determine your level of understanding of the International Monetary Fund (IMF) and itsrole, the pros and cons of both fixed and flexible exchange rates, and your ability to convert currency.**Please answer the following questions (be specific and detailed)**.1. What is the role of the International Monetary Fund (IMF)? Answers will vary and need to include specifics from the lesson.
2. Identify one pro and one con for using a flexible exchange rate. Answers will vary and need to include specifics from the lesson.
3. Identify one pro and one con for using a fixed exchange rate. Answers will vary and need to include specifics from the lesson.
4. Using the exchange calculator at http://www.xe.com/ucc/, find and report the current amount you would receive if you were traveling to Great Britain. Answers may vary from day to day.

**Each of the first three questions will be worth 30 points and the fourth question will be worth 10 points.**Short Answer Test Assessment Rubric—See attached document |
| **References/Resources/****Teacher Preparation** | **References:*** *International Business* (3E), Dlababy & Scott, Thompson Southwestern
* [http://www.youtube.com/watch?v=f1z3cGxSv\_E&list=UUIYhr3JsLYfKkCM7-](http://www.youtube.com/watch?v=Pd_qs8ueIWw)
* [W5B6DA&index=10&feature=plpp\_video](http://www.youtube.com/watch?v=Pd_qs8ueIWw)
* [http://www.imf.org/external/](http://www.youtube.com/watch?v=Pd_qs8ueIWw)
* <http://www.xe.com/ucc/>
* [www.businessdictionary.com](http://www.businessdictionary.com/)
* [www.dictionary.com](http://www.dictionary.com/)
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| **Additional Required Components** |
| **English Language Proficiency Standards (ELPS) Strategies** | **English-English 1**110.31(b) (1). Reading/Vocabulary Development. Students understand new vocabulary and use it when reading and writing.110.31(b) (11). Reading/Comprehension of informational text/procedural texts. Students understand how to glean and use information in procedural texts and documents. |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy****Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies****Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication****90 Second Speech Topics** |  |
| **Other Essential Lesson Components** |
| **Enrichment Activity**(e.g., homework assignment) | **International Monetary Fund (IMF)**Visit the International Monetary Fund website and find out 1) when the USA joined the fund and 2) the date of the last transaction made by the USA.**Exchange Rates**Visit the Currency Converter website and go to the travel expenses calculator. Pick a country from which you just visited and calculate the cost to you based on the method of payment you chose and the date you traveled. |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of AmericaFuture Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)