

TRANSACTION COSTS IN FOOD PREPARATION

Performance Standard 15D.J

Present information about purchases that students made and the transaction costs associated with them. Students also discuss purchases or other voluntary exchanges they wished to carry out but did not because of the transaction costs accordingly:

- *Knowledge:* describe the key concepts and ideas associated with transaction costs.
- *Reasoning:* analyze transaction costs to determine a given choice.
- *Communication:* create a chart and write a short essay that is organized, focused and detailed; express all ideas in a way that provides evidence of knowledge and reasoning processes.

Procedures

1. ***In order to understand trade as an exchange of goods and services (15D)***, provide students with sufficient learning opportunities to develop the following skills:
 - Define transaction costs and provide examples.
 - Explain why reducing a transaction cost encourages exchange.

Transaction costs play a vital role in the food industry. The ability to sell a product for a profit is influenced by many factors that both employees and owners need to understand. Therefore, Family and Consumer Sciences (FCS) students need to receive instruction on transaction costs and their impact on voluntary exchange. Students should discuss the factors, other than price of what is to be exchanged, that make it more difficult to agree to the exchange. They should also discuss how lower transaction costs make exchange more likely. This assessment aligns with the National Standards for Family and Consumer Sciences Education, Standard 2.0 (Evaluate management practices related to the human, economic and environment resources).
2. Have FCS students review and discuss the following task and how the rubric will be used to evaluate their work.
3. Each student is given information such as price, preparation time, flavor evaluation, etc., on two food products – one made from a recipe and the other pre-prepared.
4. On a blank sheet of paper, have each student label two columns – “Made From Recipe” and “Pre-prepared.” Then have the student list at least three transaction costs associated with each.
5. Each student describes the transaction costs that had a negative impact.
6. The student then explains in a paragraph (or short essay) why a lower transaction cost could lead to the purchase of one preparation method over the other.
7. Evaluate each student’s work using the Social Science Rubric as follows, and add the scores to determine the performance level:
 - *Knowledge:* The identification of key concepts and ideas associated with transaction costs are complete and accurate.
 - *Reasoning:* The analysis gives an explanation for transaction costs and shows valid reasoning for the choice.
 - *Communication:* The written explanation is well organized, well focused and well detailed; the knowledge and reasoning were completely and effectively communicated.

Examples of Student Work

- [Meets](#)
- [Exceeds](#)

Resources

- Paper and pen
- Social Science Rubric

Time Requirements

- One class period for writing

SOCIAL SCIENCE RUBRIC

NAME _____ DATE _____

- | | |
|---|--|
| <input type="checkbox"/> Exceeds standard (total points 11 - 12)
<input type="checkbox"/> Meets standard (total points 8 - 10) | <input type="checkbox"/> Approaches standard (total points 5 - 7)
<input type="checkbox"/> Begins standard or absent (total points 1 - 4) |
|---|--|

	Knowledge of evidence from the social sciences: facts/supporting details; themes/issues; and concepts/ideas	Reasoning: Analysis, evaluation and synthesis of evidence	Communication: Demonstrates knowledge and reasoning through oral, written, visual, dramatic or mixed media presentation
4	<ul style="list-style-type: none"> • Key concepts/themes/issues/ideas are thoroughly identified, defined and described. • Significant facts/supporting details are included and accurately described. • Has little or no factual inaccuracies. 	<ul style="list-style-type: none"> • Identifies and logically organizes almost all relevant evidence. • Uses appropriate and comprehensive critical thinking skills and habits of mind to analyze, evaluate and synthesize evidence. • Reaches informed conclusions based on the evidence. 	<ul style="list-style-type: none"> • Almost all ideas in the presentation are expressed in a way that provides evidence of the student's knowledge and reasoning processes. • The presentation is well focused with a well-defined thesis. • Presentation shows substantial evidence of organization. • Presentation shows attention to the details of specific performance conventions.
3	<ul style="list-style-type: none"> • Key concepts/themes/issues/ideas are identified, defined and described. • Facts/supporting details are included. • May have a major factual inaccuracy, but most information is correct. 	<ul style="list-style-type: none"> • Identifies and organizes most of the relevant evidence. • Uses partial critical thinking skills and habits of mind to analyze, evaluate and synthesize evidence. • Reaches informed conclusions based on the evidence. 	<ul style="list-style-type: none"> • Most ideas in the presentation are expressed in a way that provides evidence of the student's knowledge and reasoning processes. • The presentation demonstrates a focus and thesis with several narrative gaps. • Presentation demonstrates adequate evidence of organization. • Presentation has mistakes in attention to the details of specific performance conventions.
2	<ul style="list-style-type: none"> • Some key concepts/themes/issues/ideas are identified, defined and described. • Some facts/supporting details are included. • Has some correct and some incorrect information. 	<ul style="list-style-type: none"> • Identifies some relevant evidence and omits most of the other evidence. • Uses unclear, inappropriate or incomplete critical thinking skills and habits of mind to analyze, evaluate and synthesize evidence. • Reaches incomplete or inaccurate conclusions based on the evidence. 	<ul style="list-style-type: none"> • Some ideas in the presentation are expressed in a way that provides evidence of the student's knowledge and reasoning processes. • The presentation demonstrates an inadequate focus and thesis. • Presentation demonstrates inadequate evidence of organization. • Presentation has insufficient attention to the details of specific performance conventions.
1	<ul style="list-style-type: none"> • Few or no key concepts/themes/issues/ideas are identified, defined and described. • Few or no facts/supporting details are included. • Information is largely inaccurate, absent or irrelevant. 	<ul style="list-style-type: none"> • Important evidence relevant to the problem is not identified. • Critical thinking skills and habits of mind are absent. • Conclusions are lacking, absent or unclear. 	<ul style="list-style-type: none"> • Expression of almost all ideas in the presentation is unclear. • The presentation demonstrates little focus and lacks a thesis. • Presentation demonstrates little or no evidence of organization. • Presentation has multiple mistakes in attention to the details of specific performance conventions.
Score			