

# Look Out You're Surrounded!

## Lesson 1



# What Does *That* Mean?

Term	Definition
Financial literacy	the ability to understand how money works in the world.
Commerce	activities that relate to the buying and selling of goods and services
Economics	a social science concerned with the processes and systems by which goods and services are produced, sold, and bought.
System of commerce	the system of businesses, government agencies, organizations and consumers that interact to enable business to operate, and money and goods to flow.

# What Does *That* Mean?

Term	Definition
Business	a firm or enterprise that engages in the activity of making, buying, or selling goods or providing services in exchange for money.
Consumer	a person or group of people, who acquire goods or services as the final user of those products or services.
Local commerce	interacting businesses and governments of a local or regional area.
Domestic commerce	commerce carried on within the borders of a single country.
Global commerce	the worldwide system of businesses, government agencies, and organizations which interact to enable businesses to operate, and goods, money, and services to flow between nations.

# What Does *That* Mean?

Term	Definition
SME	small to medium sized business enterprise.
Multinational company	a company that operates in several countries but is managed from its home country.
trade balance	the value difference between a nation's imports and exports.
economic indicators	collections of data which enable analysis of economic performance and predictions of future performance.

# What Does *That* Mean?

Term	Definition
Gross Domestic Product	GDP; the total dollar value of all goods and services produced within a country's borders annually; an indicator of the health of a nation's economy.
inflation	a sustained increase in the general prices of goods and services over a period of time.
E-commerce	the buying and selling of goods or services transacted over the internet.

# Lesson 1 Objectives

- ❖ 1. Compare business and commerce.
- ❖ 2. Identify examples of commercial activity as local, domestic, or global.
- ❖ 3. List the elements of global commerce.
- ❖ 4. Explain the relationship of the consumer to commerce.
- ❖ 5. Summarize the Consumer Price Index.

# Money

~~“Love makes the  
world go ‘round.”~~

## What is *Commerce*?

**com•merce** [kom-ers] *noun*:

activities that relate to the buying and selling of goods and services.

1. Local Commerce → cafes, stores, factories, and farms

2. Domestic Commerce → interstate, intrastate



# Global Commerce

- ❖ Global commerce is the worldwide system of businesses, governments, government agencies, and organizations that interact to enable businesses to operate, goods, money, and services to flow between countries.

# Where Does Government Fit In?

- ❖ Local → municipal services
- ❖ State → infrastructure, etc.
- ❖ Federal → develops domestic and foreign markets; collects data for **economic indicators** (GDP, CPI, etc.) *goals*: steady, even, GDP growth, low unemployment, and low inflation

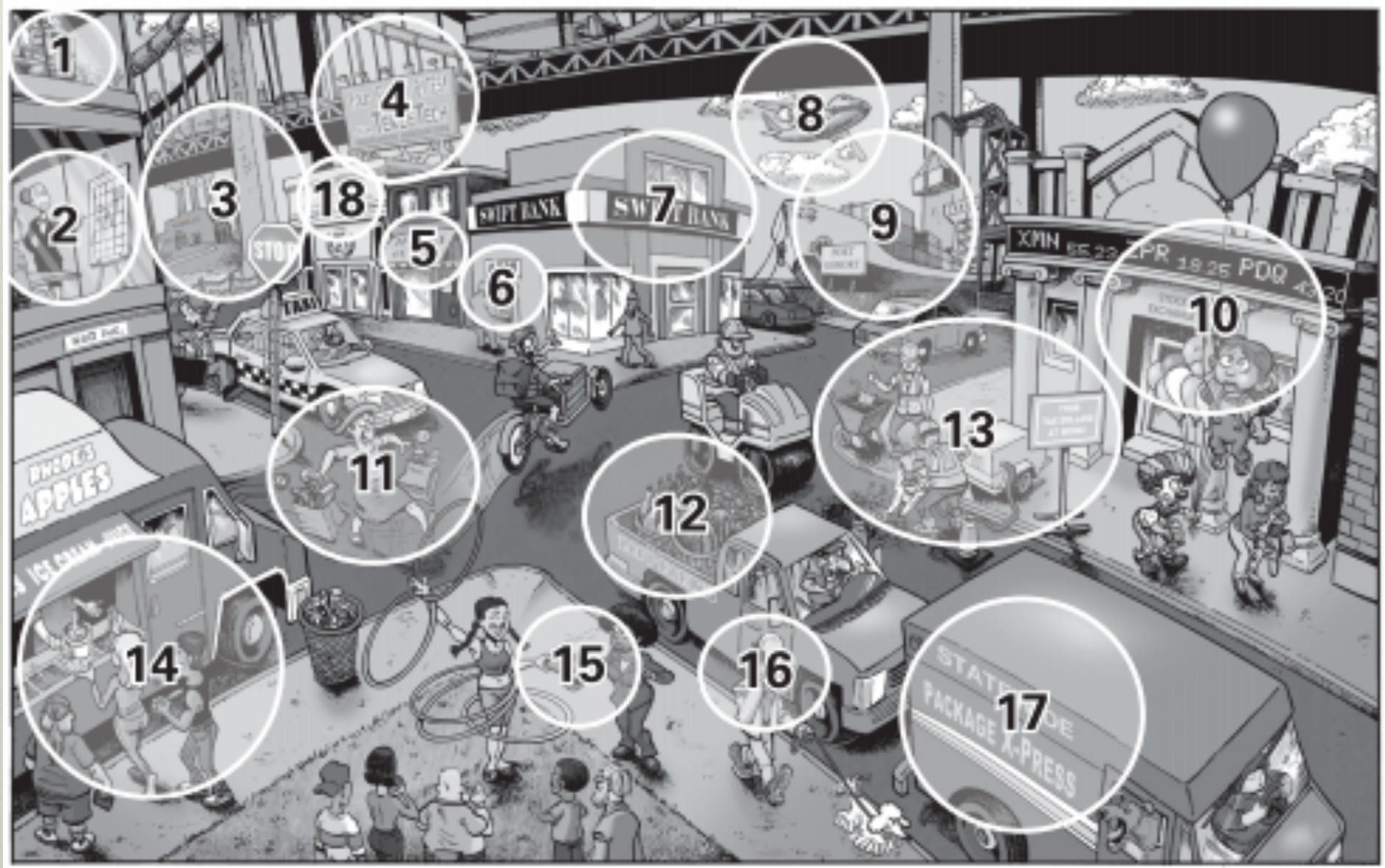
# The Almighty Consumer

- ❖ *Consume-r* = Last stop for a product
- ❖ Critical commerce component
- ❖ Consumer Price Index (CPI)
- ❖ Consumer Confidence Index (CCI)

# The Big Picture

- ❖ Financial literacy is the ability to understand how money works in the world. The focus of this course is global financial literacy. The pursuit of wealth and prosperity is expressed as commerce. There is nothing simple about 21st century commerce. Our world is teeming with commercial activity involving hundreds of millions of businesses, governments, government agencies, organizations, and billions of consumers. Vibrant commerce is key to the economic health of a nation. Commerce is highly globalized, with multinational companies, interdependent economies and businesses. E-commerce is a thriving and rapidly expanding area of commerce. GDP is an indicator of the economic health of a nation. The consumer is an essential component of commerce.

# I Spy Commerce in Action



# Ponder and Predict

- ❖ When did commerce begin? What was early commerce like? Early commerce was surprisingly similar to 21<sup>st</sup> century commerce in some important ways. **How?**