

***Economics: A Christian Worldview* – “The Department of Everything” Challenge**

(TEACHER INSTRUCTIONS/KEY)

Purpose

Students realize the difficulty of central planners even managing a single good or service effectively.

Time

20-25 minutes

Instructions

1. Print this page for yourself and a copy of Page 2 for each student.
2. Read the instructions together.
3. Students answer in pairs/groups/at tables.
4. Discuss as a class.

Emphasize:

- The extreme difficulty of a government’s trying to manage even *one* of the below industries
- The Bible’s strict limitations on legitimate government functions—punishing “evil” (harm), executing judgment and justice, being a “terror” to “evil,” removing “violence and spoil”

Key

For EACH industry the answers are similar:

1. Needed information examples:

- Consumer preferences
- Income levels
- Regional demand
- Raw material costs
- Weather patterns
- Technology changes

2. Why collecting this info is difficult:

- Millions of buyers
- Constantly changing preferences
- Local differences
- Future uncertainty
- Irrational decisions

3. Market solution:

- Rising prices signal scarcity
- Falling prices signal surplus
- Profit attracts producers
- Loss pushes producers out
- Competition improves efficiency

Core Principle Reinforced:

Decentralized individual decisions coordinate large economies better than central planning.

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Imagine a government takes over the following industries. For each industry, do the following:

1. List 3 key pieces of information planners would need.
2. Why is collecting this accurately difficult?
3. How do prices solve it?

Industries:

1. Tires

3 key pieces of information planners would need:

Why is collecting this information accurately difficult?

How do prices solve it?

2. Bread

3 key pieces of information planners would need:

Why is collecting this information accurately difficult?

How do prices solve it?

3. Smartphones

3 key pieces of information planners would need:

Why is collecting this information accurately difficult?

How do prices solve it?

4. Winter coats

3 key pieces of information planners would need:

Why is collecting this information accurately difficult?

How do prices solve it?

5. Gasoline

3 key pieces of information planners would need:

Why is collecting this information accurately difficult?

How do prices solve it?

6. Wheat

3 key pieces of information planners would need:

Why is collecting this information accurately difficult?

How do prices solve it?

7. College Textbooks

3 key pieces of information planners would need:

Why is collecting this information accurately difficult?

How do prices solve it?