

Another Day, Another Dollar

5th
Grade

economics

sales tax

bank

debt

supply

budget

services

producers

consumers

demand



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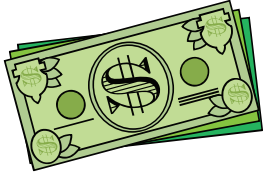
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Economics 101

To complete this workbook, it will help if you know a few key terms. Define each term using a dictionary or the Internet.



economics _____

bank _____

sales tax _____

consumers _____

producers _____

services _____

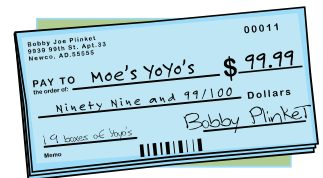


budget _____

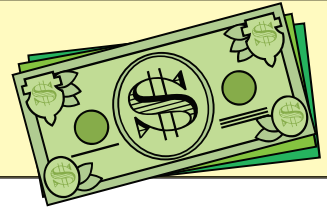
supply _____

debt _____

demand _____



Fill in the blanks using the terms from the previous page. No peeking!



1. _____ are people who buy products.
2. People and companies who make and sell goods and services are _____.
3. A _____ keeps track of exactly how much money is coming in and exactly how much money is going out.
4. _____ is added to the listed price of consumer goods.
5. When consumers want a lot of a particular product, _____ increases.
6. Producers control the number of products they sell, also called the _____.
7. A _____ is a place where money changes hands. It is supposed to be a secure place that will keep your money safe.
8. _____ is the study of the transfer of money and the production and consumption of products.



9. When someone owes money, the amount owed is called _____.

10. When people get paid for helping others, those people are providing _____.

HISTORY OF AMERICAN MONEY

Study this timeline of important events in the history of money in the United States.

Timeline events

1792

The original U.S. Mint is established in Philadelphia, Pennsylvania, which was temporarily the country's capital city. The mint produces only coins, such as the \$10 coin, one-cent coin, and half-cent coin.

1796

The dime and quarter are produced by the mint for the first time.

1861

Congress needs money to finance the Civil War and authorizes the mint to print paper money. People could redeem the bills for coins on demand, which created the term "demand notes." Paper bills were nicknamed "greenbacks," a term that is still used today to refer to U.S. currency.

1862

The first \$1 bill is printed bearing picture of President Abraham Lincoln's treasury secretary, Salmon P. Chase.

1869

George Washington's portrait appears on the \$1 bill for the first time. His picture remains on the bill today.

1877

1877: The U.S. Treasury Department's Bureau of Engraving and Printing (BEP) becomes the single producer of American paper currency.

1957

The \$1 bill becomes the first U.S. currency to bear the motto "In God We Trust."

1969

The treasury secretary announces that bills in denominations larger than \$100 will no longer be produced.

1991

The BEP begins production of the first \$100 bills that contain an embedded security thread and microprinting.

1996

New \$100 bills are released that have a larger portrait and new features to prevent counterfeiting.

2010

The mint begins producing quarters with national parks pictured on them. This is part of the mint's "America the Beautiful Quarters" program.

Answer these questions about the history of American money.

1. Where was the first U.S. Mint? _____

2. What was Salmon P. Chase's position in the U.S. government when he appeared on the \$1 bill? _____

3. What was the major difference between the original U.S. Mint and the BEP? _____

4. What was the official name for "greenbacks" in 1861? _____

5. In what year did the U.S. Mint start making its "America the Beautiful Quarters"? _____

In 1792, coins were practically made by hand. It took coiners three years to produce the first million coins. Today, it takes 22.2 hours to produce the same number of coins.

Before paper money, Americans traded animal skins, such as those from deer and elk bucks. This is why dollars are sometimes called "bucks."

6. If you could create a new denomination in U.S. currency, what would be the amount? Whose picture would you put on your new currency, and why?



How much does it REALLY cost?

The day is finally here! You have saved three months' worth of allowance, last month's birthday money, and the money you've earned mowing your neighbor's lawn every Saturday. It's now time to go shopping for the video camera you've been saving up to buy. The clerk at the counter says it only costs \$149... but, how much does it really cost?

Whenever you make a purchase in the United States, you pay sales tax in addition to the listed price of the item. Sales tax is calculated by multiplying the price by the tax rate. To calculate the true cost of your new camcorder, you need to calculate the sales tax.

The tax rate varies according to the type of item you are buying and which state you're in, but imagine the tax rate for electronics in your state is 8.2 percent. Your camcorder will cost you \$149 plus 8.2 percent of \$149.

To find the sales tax amount, multiply the price by the sales tax. Divide the answer by 100 to find the total sales tax, and round the answer up to the nearest cent. Add this amount to the price, and now you have total amount you will pay for the camcorder.

Step 1: Multiply listed price by 8.2.

$$\$149 \times 8.2 = \$1,221.8$$

Step 2: Divide by 100.

$$\$1,221.8 \div 100 = \$12.218$$

Step 3: Round to nearest cent.

$$\$12.218 \Rightarrow \$12.22$$

Step 4: Add the answer to the listed price.

$$\$12.22 + \$149 = \$161.22$$

Calculate the actual costs for the following items at a tax rate of 8.2 percent. Show your work.



Board Game _____

Video Game _____

Cell Phone _____

Baseball Cap _____

Movie _____

Now try calculating the total cost of items at different tax rates:



1. An art set has a price tag of \$14.99 at a tax rate of 6.25%. What is the total cost of the art set?



2. The price of a baseball bat is \$39.99. At a 7% tax rate, how much does the bat cost?



3. A necklace is priced at \$25.99. At a tax rate of 9.5%, what is the total cost of the necklace?



4. You are buying a pair of inline skates for \$135.50 and a helmet for \$55.00. If the store charges a tax rate of 8.25%, what will be the total cost of the skates and the helmet?

Winter Sale

With some searching and patience, many consumers find discounted prices or “sales” when they shop. For example, a raincoat may cost \$30, but if there’s a sale and all items are 50 percent off the original price, you can buy the raincoat for \$15!

To calculate the price of an item that is discounted, multiply the original price by the percentage off. Divide the product by 100, and subtract the quotient from the original price.

Step 1: Multiply listed price by the percentage off.

$$\$30 \times 50 = \$1,500$$

Step 2: Divide by 100.

$$\$1,500 \div 100 = \$15$$

Step 3: Subtract from the original price.

$$\$30 - \$15 = \$15$$

**Find the sale price of these items.
All items are 50 percent off!**



Mittens

Ice Skates

Scarf