

## Teacher Overview

**P**it is a fast-paced card game designed to simulate open outcry bidding for commodities.

If you are familiar with this classic game, be aware that we don't necessarily play by the rules, as written. We use the game as a way for students to learn about trade and simple negotiations, and focus on the economic principle of comparative advantage. Included is the PITCards.pdf file so you can print the playing cards easily or you can use multiple decks of regular playing cards modified to only include the numbers 3-10.

This particular lesson only includes instructions for 3 basic rounds of Pit. In later units you will find supplemental activity instructions that will assist you in other variations of the game.

### Time

You can play Pit for as long as the students are willing to continue to trade. You want to watch your time while you are going through the rounds of trading. Make sure you leave enough time at the end to debrief.

Once students have had the introduction to the game, individual rounds of play can be used through the year as standalone lessons/bell-ringer/or activities to get the students up and moving.

### When to Use This Lesson

Pit can be used throughout the entire school year. It is a great introduction into how markets work. Students do not need prior knowledge to be successful in Pit.

Warning: Once you've played Pit, students will want to play it all the time!

\*Pit can be used to discuss opportunity cost, scarcity, choice, sunk cost, comparative advantage, subjective value, self-interest, and negotiating. In later units, you will find supplemental activity instructions for playing to highlight those various topics.

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LEARN ABOUT TRADE AND SIMPLE  
NEGOTIATIONS, AND FOCUS ON THE ECONOMIC  
PRINCIPLE OF COMPARATIVE ADVANTAGE

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## BEFORE CLASS PREPARATION

- > Review the activity instructions + YE Academy video. Make sure you are familiar with the game as well as the talking points.
- > Make sure your room is set up to allow a "trading pit" to form in the middle. You should have a table at one end for selling and a table at the other end for buying. If you are facilitating Pit alone you will only need one table as you will do the buying and selling from the same table. Make sure you have enough space to keep the cards you are buying and selling separate.
- > You will also want to have stacks of 8 cards (if you have a large class you might need to play with smaller stacks) premade before you start the game. These can be set out on the buying table.
- > Ideally there would be two people at both the buyer and seller table. You can invite YE staff, classroom volunteers, other teachers, or school administrators to help.

## LEARNING OBJECTIVES

Principled Entrepreneurship LO 2a, 2b, 2d, Citizenship LO 1.f

## FOUNDATIONAL VALUES

- > Sound Judgment
- > Win-Win Focus
- > Be Principled
- > Opportunity
- > Responsibility
- > Freedom

## KEY TERMS

Trade, Market, Scarcity, Sunk cost, Opportunity cost, Subjective value, Self-interest, Wealth, Comparative advantage

## MATERIALS

- > Pit Cards or multiple decks of basic playing cards (remove the face cards, jokers and twos)
- > YE currency
- > One or Two tables - if you have assistance you will want one for selling and one for buying

## INTRO TO ROUND 1

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- > Begin by asking for eight volunteers. When you have the eight volunteers standing in the front of the room, let them know that you will be giving them each a set of 8 cards.
- > Before you hand out the sets of 8 cards, it is important that the students understand that their set of cards is theirs to do with what they want. They can trade with others in the class as they choose. The goal is to have 8 like cards. If they get 8 like cards you will pay them the face value of those cards. i.e. 8 qty. 5-cards will earn a student 5 YE dollars. This is how they can “create wealth”.

### ACTIVITY | ROUND 1

Tell student that they will have 3 minutes to make a set of 8 like cards. They are free to trade with anyone of the other players and they may trade as many times as they wish. However, (pause for dramatic effect) they **MAY NOT TALK**. As soon as someone has made a set of 8 like cards they MUST yell “PIT” and the game is over. That person will get paid the face value of those cards. Only one person can win in this round.

### ACTIVITY | ROUND 1 DEBRIEF

If you have a “winner” in this round, check their cards and pay them. Collect all the cards and have the volunteers sit. At this point you can discuss a few things with your students. Below are some sample questions you might consider asking. What you discuss during your debrief will depend on what happens during the round.

- > Who traded?
- > How did they decide who they traded with?
- > What did they trade?
- > How did they decide what to trade?
- > Did anyone NOT trade? Why didn't they trade?
- > Was it easy to trade? Why or why not?
- > What would have made it easier?
- > Who is “wealthier” now than they were before the game?
- > What could we do to create more wealth?

The discussion should have led to the students realizing that the ability to communicate, have more than one “winner,” and a larger market would allow for more wealth creation. This would be a good time to ask if they would like to play another round. Also ask if everyone being allowed to play would be a good idea. They will probably say YES!

### ACTIVITY | ROUND 2

Tell students that during this round you will allow everyone to enter the marketplace if they choose. (You can point out that this decision was based on their suggestion or your desire to create more wealth.) You can also allow them to talk to one another. (Again, let them know this decision to change the rules was based on the class discussion about what could potentially create more wealth.) They will each receive one set of 8 random cards. (You will want to make sure you have shuffled the cards before redistributing them.) They will have 5 minutes to trade with anyone in the class. When they have a set of 8 like cards they can sell their set to the buyer's table for the face value of the cards. (Make sure that you take the set when you buy it from them.) Once they have made and sold one set they can have a seat.

## ACTIVITY | ROUND 2: DEBRIEF

After 5 minutes tell students the market is closed. Pay all those who have made sets of 8 like cards. (Again, make sure you take all the sets you buy from them.) All students can have a seat. If they did not complete their set, they should keep their cards. Possible discussion questions after round 2.

- > Who traded during this round?
- > How did you decide what to trade?
- > What was different this round compared to the first round?
- > Was it better or worse than the first round? Why?
- > Who is wealthier now than they were before the round?
- > What could we do to create more wealth?

This again should lead to a discussion about the marketplace and opportunity. This round they were only allowed to sell one set and then they had to sit down. They were only allowed to have one random set to begin with. If they are allowed to continue to trade and make more sets of like cards, they will be able to continue to create wealth.

## ACTIVITY | ROUND 3

During this round students can either use the cards they have left from the previous round or buy more set of 8 cards for 3 YE dollars each. When the round begins they are free to continue trading as they were before. They will also have the opportunity to buy more sets to enable them to trade more. They will also have the opportunity to sell as many sets of 8 like cards as they can make in the 5 minute round to continue to create wealth.

## ACTIVITY | ROUND 3\*

\*If you are done playing, use the final debrief questions below. If you continue playing, continue to observe student behaviors to determine what debrief questions to ask.

After 5 minutes tell the students the market is closed. Pay all those who have made sets of 8 like cards. Have students take a seat. If you are done playing for the day you may also want to collect all of the cards.

## FINAL DEBRIEF

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Again, what you discuss during your sessions will be based on what happens while you are playing the game. Make sure you pay attention to what your students are doing while they are playing. What their behaviors are, listen to their negotiations, observe their non-verbals, etc.

- > What did you see happening during the rounds?
- > What kinds of negotiations were happening? Did anyone sell individual Pit cards for YE dollars? Were people creating partnerships? What about deals based on credit ("I'll give you this card but when you sell the deck I want X")?
- > How did you decide what to trade? Comparative advantage, opportunity to build wealth, opportunity cost, sunk cost
- > What improved the marketplace for buyers and sellers?
- > What effect did scarcity have on the marketplace? Scarcity of time? Scarcity of funds? Scarcity of attention?
- > Did cartels/partnerships form?
- > Did you change strategies from round to round? Why?
- > How is this similar to the real world?