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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Business Management and Administration |
| **Course Name** | Principles of Business Marketing and Finance |
| **Lesson/Unit Title** | Foreign Exchange Market |
| **TEKS Student Expectations** | **130.140 (c) Knowledge and Skills**  (4) The student identifies the importance of international financial markets  (A) The student is expected to explain how a foreign exchange market functions |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | **Performance Objective**  Upon completion of this lesson, the student will be able to explain how a foreign exchange market functions globally.  **Specific Objective**:   * Explain how a foreign exchange market functions. |
| **Rationale** | The foreign exchange market is the market in which foreign currencies are bought and sold. The buyers and sellers include individuals, firms, foreign exchange brokers, commercial banks, and the central bank. This lesson will explain how a foreign exchange market functions globally. |
| **Duration of Lesson** | 4 days |
| **Word Wall/Key Vocabulary**  *(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | **Terms:**   * **Money** – Anything people will accept for the exchange of goods and services. * **Foreign Exchange** – The process of converting the currency. * **Foreign Exchange Market** – The network of banks and other financial institutions that buy and sell different currencies. * **Exchange Rate** – The amount of currency of one country that can be traded for one unit of the currency of another country. * **Floating Exchange Rate** – A system in which currency values are based on supply and demand. * **Exchange Controls** – Government restrictions to regulate the amount and value of a nation’s currency. * **International Monetary Fund** – An agency that helps to promote economic cooperation by maintaining an orderly system of world trade and exchange rates. |
| **Materials/Specialized Equipment Needed** | **Instructional Aids:**   1. Lesson 2.4 Foreign Exchange Market Presentation   **Equipment Needed**   1. Instructor Computer/Projection Unit 2. Student access to computers |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | * **Ask** * Has anyone ever traveled to another country? How did you pay for your food, hotel, etc.? * **Say**   + Foreign currencies allow people to buy and trade in other countries. This is true for business transactions as well. Currencies must be exchanged to complete these types of transactions. We will spend the next couple of days learning, discussing, and researching the elements that help the Foreign Exchange Market function globally. |
| **Direct Instruction \*** | **Introduction**   * Identify the objectives for this lesson * Build Business Vocabulary * Discuss need to exchange Foreign Currencies   **Discovery Activity**  Students search the Internet to learn about and practice converting foreign currencies.   1. Introduction    1. Objectives    2. Vocabulary    3. Foreign Exchange Discussion    4. Students can create a vocabulary presentation or put the words, definitions, and images/examples in an electronic notebook if computer access is available. Discussion notes are in presentation. 2. Discovery Activity (Day One)    1. Exchange Rate Activity    2. Students will work with a partner to complete the exchange rate chart for five countries’ currencies. 3. Instruction (Day One-Two)    1. Forex Notes    2. Foreign Exchange Controls Notes    3. IMF Notes    4. Students will take notes in the format of teacher’s preference. There is a short video to introduce students to the IMF. Guides students in understanding how the FOREX and IMP play a role in how the Foreign Exchange Market functions on a global scale. 4. Formal Assessment (Day Two-Four)    1. Foreign Exchange Project    2. Present Projects    3. Identify key functions of Foreign Exchange Market in the global environment    4. Extension Activities for Early Finishers    5. Students will work in groups to research the IMF website. Students can put this information in a presentation format and present their findings to the class. |
| **Guided Practice \*** | * Guided questions and discussion * Notes and Examples |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | Complete group research project about the elements explaining the IMF’s role in the Foreign Exchange Market.  ***Assignment for Lesson 2.4 Foreign Exchange Market***  Foreign Exchange Group Project Formal Assessment  **Objective:** Research and explain the IMF and its role in how the foreign exchange market functions globally.  **Directions:** Create a group of five colleagues. Divide the information pages to research. Together, build apresentation to teach your classmates about the IMF and its role in how the foreign exchange market functions globally. Use the rubric to guide you.  IMF Site: <http://www.imf.org/external/about.htm>  Your presentation must include a slide for the following information pages about the IMF. Each page must have three key ideas and at least one image representing the information.   * Overview * History * Organizations and Finances * Governance * Our Work * Case Study: Choose one country the IMF has given a loan to and explain how this has impacted their economy and trade in the global market. * Foreign Exchange Market: Write a paragraph explaining the answers to the following questions.   (Hint: Use your notes.)   * What are the elements important in the function of the Foreign Exchange Market? * What role does the IMF play in how the Foreign Exchange Market functions? * Why is the Foreign Exchange Market important in a global society?   All information should be in your own words. Make sure you cite all websites and images used to create your presentation. |
| **Lesson Closure** | **Review and Lesson Evaluation**   * Review key elements of the Foreign Exchange Market and how they relate to the function of the market. * Students will explain what they have learned in projects and presentations. * Review the lesson’s objectives at the end and have students reflect what they have learned. |
| **Summative / End of Lesson Assessment \*** | Use rubric provided to assess foreign exchange market project. |
| **References/Resources/**  **Teacher Preparation** | **References:**   * *International Business (3E), Dlababy & Scott, Thompson Southwestern* * [*http://www.imf.org/external/index.htm*](http://www.imf.org/external/index.htm) * [*http://rubistar.4teachers.org/*](http://rubistar.4teachers.org/) |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** | **English-English I Knowledge and Skills**   * 110.31 (b) (1) Reading/Vocabulary Development. Students understand new vocabulary and use it when reading and writing. * 110.31 (b) (11) Reading/Comprehension of informational text/procedural texts. Students understand how to glean and use information in procedural texts and documents. |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** | |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication**  **90 Second Speech Topics** |  |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) | * Create a travel brochure containing information about travel costs for a country. * Research the IMF website and identify sources of funds for money loaned to member countries and how it has impacted those countries economic conditions and trade (Example: Ghana). |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of America  Future Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)