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## **Market Simulations**



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## Market Simulations

### I. Introduction

The Ministry of Education, Youth and Sports currently has a strong policy to promote programs like Life Skills activities in order to facilitate the holistic development of the child. Such programs can develop generic skills such as decision-making, and critical and creative thinking. The child develops a sense of responsibility for their own development as well as having the opportunity to work in close cooperation with others to achieve common goals.

Presently the Child Friendly School Program has two activities that try to develop such skills: community-based Local Life Skills Program (LLSP) activities and Student Associations (SA). In this document a third (extra curricular) activity is introduced. This activity is known as *Market Simulations*.

A Market Simulation (MS) allows students to use generic skills and specific technical skills developed through the community based life skills program. The idea behind a Market Simulation is to create an enjoyable forum for students to use both generic and specific technical skills that they learned during the community-based life skills program. It is for this reason that the activity is usually conducted at the end of most courses, usually in June of each year. In this sense, Market Simulations represent a culmination of all life skills activities. During the simulation, students are given the opportunity to utilize budgetary skills related to buying, selling, bookkeeping, borrowing money, and prioritizing purchases. The primary means for doing this is through the organization of seller stalls in which students ‘sell’ the fruits of their labor, i.e., the skills that they learned during the year. These stalls may include a restaurant, a barbershop, a vegetable stall, a dance theatre, and many others. Other enjoyable but educational activities that are also organized include a movie theatre in which films such as *Shattered Dreams* are shown. The latter is a cartoon borrowed from the US Dept of Labor’s OPTIONS Program in Cambodia about the dangers of child trafficking. Market Simulations also provide an opportunity to involve Student Association members in organizing various activities, if one should exist at the school.



Students who have studied cooking operating a food stall during a market simulation.

Thus, the simulations provide an important opportunity for complementarity between several related activities and programs.

During the simulation itself, students do not use real currency. Rather they use ‘play’ money that is distributed to students based on their attendance at school, helping teachers to clean the school yard, and other tasks. In this way, the simulation is a preparation for real life where income is based on labor and important life skills such as attendance and punctuality. In order to give all students a chance to play the role of buyer and seller, the simulations are usually repeated twice so that students can switch roles.



Market Simulations also provide a good forum to demonstrate cultural life skills activities, which acts as a form of outreach to minority groups in the community.

## II. Objectives

- Schools visualise the MS concept.
- Schools identify logistical issues involved in setting up a MS.

## III. General Overview of Market Simulation Activity

### 1. Description of a Market Simulation

- In the LSP program, grade 5 and 6 students have the opportunity to familiarize themselves with different skills in a ten week period. The MS takes place in Week 11 and Week 12. In both weeks 11 and 12, a number of the children are sellers and a number are buyers. Exact numbers depend on the total number of students in grade 5 and 6. All students earn ‘fake’ money by attending class every day and by doing certain activities in school like cleaning, working in the garden, helping teachers, etc. Money can be saved starting from the beginning of the LSP. After ten weeks, a market is organized. Students offer services based on the skills that they have learned in the LSP or in the Curriculum Enhancement Program for Girls such as cutting hair, playing traditional music, sewing, repairing bikes, food processing, etc. They can sell products that they made by themselves or they can provide services supported by the school such as serving food in a restaurant, watching animation videos, participating in Arts activities or playing educational games (puzzles and creative and critical thinking activities).

### 2. Setting up the Market Simulation activities

#### 2.1 Orientation of teachers and community

- An orientation on MS is arranged for all teachers and community  
(See **Annex A: Market Simulation orientation for Teachers and Community**)

## ***2.2 Orientation of students***

- All grade 5 and 6 teachers do a lesson with their students about MS  
(See **Annex B**: *Market Simulation orientation for students*)

## ***2.3 Implementation of the Market Simulations activities***

- Teachers in both grade 5 and 6 set up MS activities in school  
(See **Annex C**: *Implementing Market Simulation activities*)

## ***2.4 Evaluation of the Market Simulation activities***

- When the LSP and the MS activities have finished, the students write an evaluation on the services that have been provided  
(See **Annex D**: *Evaluation of the Market Simulation activities*)

**Note:** All of the activities mentioned above should be introduced by KAPE staff to the school management and grade 5 and 6 teachers, before they do the orientations.

## **3. *Financing the Market Simulation activities***

- The school where the MS activities will be implemented will have already purchased some materials for the community based life skills training. Therefore the following activities don't need additional funding:

1. Cutting hair; renting/buying equipment
2. Repairing bike; renting/buying tools
3. Playing traditional music; renting music instruments
4. Tailoring, repairing and selling cloth; renting machine

- However, the following activities and materials may need additional funding:

1. Restaurant; pots and cooking equipment  
plates and cutlery  
wood for cooking  
food
2. Watching animation videos; television, video recorder and generator  
video CD with animation movie
3. Arts activities; materials to paint, paper
4. Educational games; puzzles, creative and critical thinking activities

5. Copying fake money
6. Snacks and drinks for visitors (introduction of MS and actual MS activities: 2 days in each school).
7. Big paper and pens for the orientations.

**Note:** The above list is just an example. The school director should write a proposal with support from KAPE staff, indicating the real costs for both weeks. A proposal should be submitted to the Cluster Head, who withdraws the money from the KAPE office. It is estimated that the total amount should be no more than \$120.

#### **4. The role of Students Association**

- In schools where a SA is already present a new club can be initiated - the Market Simulation Club (MSC) (*See the document on Students Association for further details about clubs*). The MSC be supported by a volunteer teacher and a community member. Thus, MS activities may initially be supervised by the grade 5 and 6 teacher, but gradually the MSC will take responsibility for some of their tasks such as:
  - Providing support to grade 5 and 6 students to implement the MS activities.
  - Organizing evaluation of MS activities.
- The volunteer teachers and the community member should give logistics support to MSC-members to implement MS-activities in school.
- Members of the SA can earn 50 Riels (in fake money) for each week that they attend the SA meetings. They can then use this money during the Market Simulation.

## **ANNEX A: Market Simulation (MS) orientation for Teachers and Community**

### **I. Objective**

- Teachers and community members have a clear understanding about Market Simulation (MS) activities.

### **II. Procedure**

- The school director explains to the teachers and community members that the school is planning to set up MS activities.

MS is an activity that builds on the community-based Life Skills Program (LSP). The school director asks the following questions:

1. *Which Life Skills activities do we do in our school?*
2. *When do we do these activities?*
3. *Why do we do these Life Skills activities?*

If the following answers are not mentioned by the participants the school director should elicit the following points by asking questions:

1. *Cutting hair, repair bikes, playing music, sewing, cooking, etc (The actual skills will of course vary from school to school).*
2. *The activities will take place over a ten-week period, starting in March.*
3. *Grades 5 and 6 have the opportunity to familiarize themselves with different Life Skills.*

- The school director explains that in the LSP program, grade 5 and 6 students have the opportunity to familiarize themselves with different skills in a ten week period. The MS will take place in Week 11 and Week 12. In Week 11 and 12, a number of children will be sellers and a number will be buyers. The actual number depends on the total number of students in grade 5 and 6. All students will be able to earn ‘fake’ money by attending class every day and by doing certain activities in school such as cleaning, working in the garden, helping teachers, etc. Money can be saved starting from the beginning of the LSP. Every student will have a savings book, which is updated once a week by the teacher who records students' earnings and withdrawals.

The school director asks the teachers and community members to think about other ways for students to earn money. S/he writes those answers on the black board.

- The school director explains that after ten weeks a market will be organized. Students can offer services based on skills they have learned in the LSP or in the Curriculum Enhancement Program for Girls such as cutting hair, playing traditional music, sewing, repairing bikes, food processing, etc. They can sell products that they made by themselves or they can provide services supported by the school like serving food

in a restaurant, watching animation videos, participating in Arts activities or playing educational games (puzzles and creative and critical thinking activities).

- The school director explains that there are different reasons for doing MS activities in school:
  1. MS enables students to practice certain budgetary skills like buying, selling, counting money, prioritizing what to do with the money, bargaining, determining the right price for a product, competition, etc.
  2. Based on the experiences with the MS, students will be better able to make informed decisions about the work they want to pursue in their future.
  3. The students develop an understanding about the basics of the market-economy. As a result the students from school will be better prepared for the market-economy in Cambodia.
- The school director closes the meeting by inviting all community members to come to the MS. Parents can participate in all activities for free, except eating food at the restaurant. All classrooms, library and resource centre will be opened for visitors and a snack and drink will be provided. Are there any questions or suggestions?

## **ANNEX B: Market Simulation (MS) orientation for Students**

### **I. Objective**

- Students have a clear understanding about MS activities in school.

### **II. Procedure**

- The teacher explains that after the Life Skills Program (LSP) activities finish a real life market is going to take place. The teacher asks the following questions:

*Who has ever been to a market?*

*What did you do at the market?*

*What did you see at the market? (People buying and selling, many stalls with different products...)*

- The teacher explains that a market is a place where people come together. Some people come to buy, other people come to sell. The teacher will ask the following questions:

*Why is the market a good place for somebody, who wants to buy something?*

*Why is the market a good place for people who want to sell something?*

If the ideas of the children do not include the following points, the teacher could elicit the following ideas through use of probing questions:

- The products in the market are normally cheaper than those in shops, there are a lot of different products for sale, the products are sold in one place so you don't need to travel a lot, a market is a place to meet people and socialize.
- In the market there are a lot of potential customers to sell your products to.

- The teacher explains that we can learn a lot from the activities that take place on a market:

1. We can learn about budgetary skills: buying, selling, counting money, bargaining, determining the right price for a product, competition, etc.

The teacher asks the following question:

*Why should the price of a certain product not be too high?*

(Possible answer: If so, nobody will buy the product.)

The teacher asks the following question:

*Why should the price of a certain product not be too low?*

(Possible answer: If so, no profit can be made.)

The price of a product should be right. If the price is too low you make too little money on which to live. The price is also determined by other sellers. When you set your price higher than your competitor, nobody will buy your products and but will go to your competitor.

2. We can learn about different trades in a market. Maybe you see something at the market that you want to do in the future.

The teacher asks the following questions:

*Who has seen a trade on the market that you would like to do in the future?*

*What trade was that?*

*Why do you like that specific trade?*

We can learn about how a market works. Maybe you want to become a seller in the future, so you will be able to observe how to sell products yourself. As a result you will be better prepared to start your own business in the future.

- The teacher explains that the school is going to organize a MS. The MS will take place after the LSP. In Week 11 and 12 a number of the children will be sellers and a number will be buyers. The actual numbers depend on the total number of students in grade 5 and 6.

Students can offer the services that they have learned in the LSP and Curriculum Enhancement Program for Girls such as cutting hair, repairing bikes, food processing, playing music, sewing, etc. They can sell products that the school has bought or the can provide services organized by school such as serving food in a restaurant, watching animation videos, participating in Arts activities and playing educational games.

- The teacher explains that money can be saved starting from the beginning of the Life Skills programme. Each student will make a small saving book and each week, the teacher can write down the amount of money the students have saved. After ten weeks the students can withdraw their money from their saving account and use it for the MS. Students can earn money in different ways:

*By performing well:*

1. Attending class every day; when a student attends class every day, s/he can save 50 Riels a day. In one week a student can save a maximum of 250 Riels, as Thursday does not count as a school day.
2. The group in the classroom where the students cooperate very well with each other; The teacher can award 50 Riels to each member of a group in the classroom if they have shown to work together in an outstanding manner.

By participating in certain activities in school:

1. Cleaning; students can earn 50 Riels for every time they help school management and/or staff to clean the school.
2. Working in the garden; students can earn 50 Riels for every time they help school management and/or staff to clean/weed the school garden.
3. Helping teachers; students who help the teachers can earn 50 Riels for every time they help the teacher.

The teacher asks the students if they have other ideas to earn "fake" money. S/he writes those ideas on the blackboard.

- Each student makes a saving book using the format below:

Date	Description of activity done by student	Income	Withdrawal	Balance	Signature of Teacher

Every time money is earned, the student writes down the date and description of the activity. The student also fills in how much money was earned (Income) and calculates the new balance after adding the earned money (Balance). Every week the teacher checks and signs if the information is correct. The section 'Withdrawal' indicates the money withdrawn from the savings book and paid to the student.

- The teacher asks to read the following case studies together.

### The buyer

Sokha is 11 years old and studying in grade 5. The past ten weeks she has been saving money for the MS, which starts next week. She remembers well how it all started. Ten weeks ago she received a savings book from her teacher. The teacher explained clearly how she could save money. Every week the students wrote down how much money they saved that week. The teacher checked each savings book and signed if the amounts of money were right. Sokha is a very serious student and attended school every day in the past ten weeks. She also helped her teacher on 2 occasions by cleaning the classroom and cultivating the garden in front of the classroom. Her teacher awarded her group with a price, because all the students in her group cooperated well together. Sokha has saved 2650 Riels all together and wants to spend it all, because in the two weeks of the MS she will only buy and not sell anything. However, he doesn't want to spend all her money in one week, so she withdraws 1600 Riels from her saving account. There are seven MS activities in her school:

- Cutting hair (costs 400 Riels)
- Listening to traditional music (costs 200 Riels)
- Repair bicycle (costs 400 Riels)
- Restaurant (costs 550 Riels)
- Arts (costs 200 Riels)
- Educational games (costs 200 Riels)
- Watching animation videos (250 Riels)

Sokha likes all activities very much, but she doesn't have enough money to do all activities. In the first week of the MS Sokha wants to watch videos, have her hair cut and participate in Arts activities. The following week she wants to eat at the restaurant, do riddles and listen to traditional music.

### Questions for group discussion:

1. *How much money did Sokha save because of her attendance record each week?*  
*Answer: 5 days x 50 Riels = 250 Riels.*
2. *How much money did Sokha save for helping the teacher?*  
*Answer: 2 times x 50 Riels = 100 Riels*
3. *How much money did Sokha save for being part of the group that win the price for excellent cooperation? 1 time x 50 Riels = 50 Riels*
4. *Please fill in the following table recording Sokha's savings every week. You are allowed to fill in the dates as you like.*



### The seller

Dara is 12 years old and studying in grade 5. Like Sokha, Dara is very serious in saving money. He saved 3000 Riels in the past 10 weeks and he wants open a restaurant at the MS. Unfortunately he doesn't have enough money as the school charges 15.000 Riels for equipment and food. Dara decides to ask students who have experience in cooking. He finds 2 more children who can help him; one child has learned to cook at the LSP and another one learned to cook through the curriculum enhancement activities in school. When all three students put all their money together, they have 8.000 Riels. This is still not enough, so the students talk to one of the grade 5 or 6 teachers. They agreed to borrow another 7000 Riels from the school. The school will charge 10% interest per day until the loan is repaid.

Dara and his team decided to make *num banchop*, because they know how to make it and children in their school like to eat this very much. Dara and his team decided who would cook, who would serve food and who would clean the dishes. They also thought about a name for their restaurant: *The Three Dragons*. A name sign was made with the help of the grade 6 teacher and put at the entrance of the restaurant. The day before the MS Dara and his team organize equipment like pots, stove, charcoal, plates, cutlery, etc. The MS activities start at 8 am, but they have to start to cook early in the morning, organize the tables and food. Fortunately some mothers also offered to help in the morning, so at 8 am everybody is ready to serve food. At the start, only a few children want to eat, but later on in the morning more students come to eat. In total, 30 students came to eat at the restaurant. All six students helped cleaning up.

They, then, started to divide the income. First, the school had to be paid back. Then, all students received back the amount they invested in the restaurant. Dara for example received 3000 Riels back. The money left over (i.e the profit) was divided equally amongst the six students. To celebrate the success of the restaurant, Dara and his team decided to buy some small cakes for 200 Riels.

Questions for group discussion:

1. How much money should the students pay back to school?  
Answer: 7000 Riels borrowed money and 700 Riels (10%) interest = 7700 Riels.
  2. How much money did the restaurant get from their customers?  
Answer: 30 students x 800 Riels for one plate of food = 24.000 Riels.
  4. How much money was left over after all students were paid back their investment?  
Answer: 24.000 Riels income – 7700 Riels borrowed money – 8.000 Riels invested Money = 8300 Riels was left over.
  5. How much profit did each student make in the end?  
Answer: 8300 Riels divided by 3 students = 2700 Riels. Two hundred Riels were left over.
- III. The teacher explains that students should start to think about which activities they would like to do in the MS. Next meeting an election will take place in order to identify which students will sell something in the MS. Are there any more questions?

## **ANNEX C: Implementing Market Simulation (MS) activities**

### **I. Objective:**

- Students of grade 5 and 6 organize MS activities and choose which activity they want to do in the MS.

### **II. Procedure**

- All grade 5 and 6 students in school are called to join in this meeting. The grade 5/6 teacher explains that in this meeting we will learn about the organization of the MS. The following questions are asked to revise current knowledge of the MS:

*Do the MS activities take place before or after the Life Skills activities?*

Answer: After the Life Skills program.

*What happens in the MS?*

Answer: A market is organized in school for two Thursdays. In the first week, some of the children are sellers and the others are buyers. In the second week the sellers will be buyers and the buyers can be either sellers or continue to be buyers.

*How can money for the MS be earned?*

Answer: All students will be able to earn a salary (50 Riels at a time in 'fake' notes) by attending classes every day, by doing certain activities in school like cleaning, working in the garden, helping teachers, etc. Money should be saved starting from the beginning of the Life Skills programme.

- The teacher explains to the students about possible ways to earn and spend money at the MS. The teacher also explains that the school will organize a place for each activity. However, materials have to be organized by students with the support of grade 5 and 6 teachers and the school director.

#### **1. Skills the students have learned in the Life Skills training**

**Cutting hair;** students can earn money by cutting hair. They can rent from the school all materials needed for 800 Riels.

**Playing music;** students can play traditional music. They can rent from the school all musical instruments needed for 1,500 Riels.

**Tailoring;** students can sell products like handkerchiefs, masks, black board brushes, gloves, shawls and hats. The school will provide materials to make these products and students can make them at home or during the Life Skills Program.

**Bicycle repair;** students can repair bicycles of students or parents. They can rent equipment needed from the school for 800 Riels.

**Cooking;** students can organize a restaurant, make food and serve it. They can rent cooking utensils, pots, plates and cutlery from school for 20,000 Riels.

## **2. Selling products**

Students can sell products at the market. They can buy products like cake or drinks from the school for 15,000 Riels. Students can also buy fruit from school for 20,000 Riels.

## **3. Video CD with animation movie**

Students can organize a place to show videos. They can rent equipment like video and television from school for 20,000 Riels.

- **Arts activities**

Students can organize a room where children can do Arts activities. They can buy materials from the school like A4 paper, colored paper, colors, glue and paint for 2000 Riels.

- **Educational games**

Students can organize a room where children can do riddles and puzzles. They can buy materials from school like papers with riddles and puzzles for 2000 Riels.

- The grade 5/6 teacher points out that for almost all activities students have to pay 'fake' money. Children will, thus, understand that in order to make profit, an investment must be made. The materials for tailoring are provided for free, because tailoring students will spend a lot of time in school or at home to make their products. The working time is seen as the investment students make.

- The grade 5/6 teacher explains that students have to pay an entrance fee for the following activities:

Activities	Costs
Cutting hair	400 Riels
Listening to traditional music	200 Riels
Tailoring	<b>Can vary</b>
Bicycle Repair	400 Riels
Cooking	550 Riels
Selling products	<b>Can vary</b>
Video CD animation movie	350 Riels
Arts activities	200 Riels
Educational games	200 Riels

- **Raising sufficient funds to meet needs**
- For some activities, like running a restaurant and watching video, one student doesn't have enough money to organize these. The grade 5/6 teacher asks the following question:

*How can students raise enough money to start activities like running a restaurant and watching videos?*

Possible answers:

1. Work together with other students to raise enough money.
2. Borrow money from school against a 10% interest rate.
3. A combination of 1 and 2 mentioned above.

- **Identifying the "buyers" and "sellers"**
- The grade 5/6 teachers organize all students in one room and writes the following list on the blackboard:

<u>Number of "sellers" required each week</u>	<u>Student names</u>	
	Week 1	Week 2
Cutting hair (Minimum 1 to maximum 2 students)		
Play traditional music (4 students required)		
Repair bicycle (Minimum 1 to maximum 2 students)		
Arts (Minimum 1 to maximum 2 students)		
Riddles (Minimum 1 to maximum 2 students)		
Running a restaurant (Minimum 3 to maximum 5 students)		
Watching videos (Minimum 3 to maximum 5 students)		
Selling products the school has bought (Minimum 1 to maximum 5 students)		

- The grade 5/6 teacher explains that the students can choose which activity they would like to organize. Students are only allowed to be a seller once. Each student receives a small paper and writes his/her name on it. The teacher asks first who wants to cut hair. Students who are interested in cutting hair put their paper in a box. The teacher takes out 4 papers and reads out the names on the papers. The names of these students are written on the blackboard in week 1 and 2. The teacher repeats this action for all other MS activities, so by the end a list appears identifying who is doing which MS activity in which week. Life Skills activities will vary from school to school. This is why schools only select MS activities based on Life Skills the students have learned. Students who have learned a certain Life Skill are given priority in assigning them a position in the MS that is linked with their Life Skills experience. Thus, a student that learned to cook in the Curriculum Enhancement for Girls should be given a position as cook in the MS.

**Note:** Experience has shown that it's best to link the restaurant with the traditional music activity. The restaurant will increase the price of food (around 100 Riels extra) and the traditional music players will receive that money.

- **Managing the Finances**

- The grade 5/6 teacher explains that the school director is in charge of the finances. Grade 5 and 6 teachers are responsible for helping students to implement MS activities. Students in need of materials/equipment or students who want to borrow money from school have to contact the school director. The teachers will help students to write down why and how much money they want to borrow. The grade 5 and 6 teachers will also help students to write down how much money they need for materials, products and/or renting equipment. The grade 5/6 teacher explains that for purchases below \$5 the school director will give real money directly to the student. For purchases above \$5 the school director will organize a grade 5/6 teacher to help the student to buy materials, products and/or renting equipment. An official contract will be made between the school director and the student who wants to borrow money. A contract could look like this:

## CONTRACT

I, ....., grade.... have borrowed ..... Riels from .....school and I promise to pay back the money, including 10% of interest, in total.....Riels, by the following date: ...-...-2003.

Signature

Signature

Name of the school director

Name of the student

- **Inviting the community to participate**
- All students receive an A4 paper to make an invitation letter for their parents. On the invitation the students can draw a picture and write the following information:
  1. Invitation for the Market Simulation.
  2. Place where MS will be held.
  3. Date of MS including starting and finishing time (8.00 am to 11.00 am)
  4. What the parent will be able to see and do (market organized by students, provide support to their children, partake of refreshments, participate in some MS activities)
  2. The students bring their invitation home and show it to their parents. The teacher asks the students to motivate their parents to come. Parents can participate for free in all activities, except eating food in the restaurant.
  5. The grade 5/6 teacher explains that the market will start at 8.00 am and that at 11.00 the market will stop. In order to organize everything students should be present at 7.00 am. The grade 5/6 teacher asks: Are there any more questions or suggestions?

## **ANNEX D: Evaluation of the Market Simulation activities**

The grade 5 and 6 teacher asks their students to answer the following questions each week after the MS has taken place:

- Were you a seller or a buyer?
  
- If you were a buyer:
  1. How much money did you spend?
  2. Which MS activities did you like? Why?
  3. Which MS activities did you not like? Why?
  
- If you were a seller:
  1. How much money did you spend to set up your stall?
  2. How much profit did you make?  
(The money you earned minus your investment = profit)
  3. If you are a seller again, would you choose to do the same MS activity again or would you change to another MS activity? Why?





