

Why people trade

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An experiment

An experiment — Round 1

- Have your items with you.
- Half to the *right*, half to the *left* side of the classroom.
- You are not allowed to talk to people from the “other side.”
- You will have **10 minutes** to talk to each other, ask questions, and trade items.

An experiment — Round 2

- You are **no longer divided** in two sides.
- You are allowed to talk/trade with everyone in the room.

Why people trade

Why people trade

Trade is the exchange of goods and services.

- *Winning vs losing*
- *Costs vs benefits*
- The (main) role of *money*
 - Solves the *double coincidence of wants* problem.

Next time: Why countries trade