

Iterative Barter Game

This is a class exercise intended to increase students' understanding of bartering concepts. Participation will help them see how money naturally develops in free markets. Explain to the students that this is a bartering game. If there are 10 or fewer students in the class, they will play as individuals. For larger classes, divide the students into four teams. This activity has three rounds. To begin, assign students to one of four "markets": CLUB-MAKERS, SPADE-MAKERS, HEARTS-MAKERS, DIAMOND-MAKERS. Give a set of cards to its respective suit-group or distribute evenly if playing individuals. For example, those students in spade-makers group should start with spades, etc.

 ACTIVITY TYPE Game · Simulation	 DURATION 60 min	 PARTICIPATION Small groups · Individual
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MATERIALS

- Standard playing cards (recommendation = 1 deck for every 5 students)
- Board or screen to display instructions
- Paper, Excel or other method to track results
- name cards to label team tables, e.g., "ACES" (*nice to have*)

PREPARATION NOTES

If you have never given this class before, plan for an hour+ to familiarize yourself with the activity and the key concepts.

After you have delivered the activity the first time, future preparation is minimal.

The minimum play time for this is 10 minutes per step or $3 * 10 = 30$ minutes.

Plan on a full hour including set up, explanation, play, discussion and cleanup.

SETUP

The goal is to have cards separated by suit before you begin the exercise. You have the choice of opening the decks and separating cards by suit yourself, or enrolling students in this step.

When you introduce this activity to the class, you will ask students to separate into four groups. For setup, this means you should plan where you want each of the four groups to go. For example, you may rearrange desks before class starts. It is helpful but not required to label team areas with a sign such as "TEAM ACES", etc.

PROCEDURE

Step 1, Round 1: The Coincidence-of-Wants Round

Give student their assignments (table below). Their goal is to get their "wants".

Then give them 5 minutes to walk around and negotiate trades with other groups.

Note in round 1, there are matches between the groups.

Market	Wants
CLUB-MAKERS	spades
SHADE-MAKERS	clubs
HEART-MAKERS	diamonds
DIAMOND-MAKERS	hearts

Step 2, Round 2: The LACK of Coincidence-of-Wants Round

Give students their new assignments (table below). Their goal is to get their “wants”.

Then give them time to walk around and negotiate trades with other groups.

Take a few minutes to allow students time to share what was different between the first and second rounds.

Note in round 2, there are no direct matches between groups. To get what they want, students necessarily must conduct multiple trades.

Market	Wants
CLUB-MAKERS	spades
SHADE-MAKERS	hearts
HEART-MAKERS	diamonds
DIAMOND-MAKERS	clubs

Step 3, Round 3: Most Sale-able Goods Round

Give students their new assignments (table below). Their goal is to get their “wants”.

Then give time to walk around and negotiate trades with other groups. As before, after trading is done, allow the students to share what was different between all three rounds.

Note in round 3, diamonds became the most sell-able good. Ask students how gold has fulfilled this role historically.

Market	Wants
CLUB-MAKERS	spades or diamonds
SHADE-MAKERS	hearts or diamonds
HEART-MAKERS	diamonds or diamonds
DIAMOND-MAKERS	clubs or hearts or spades

KEY POINTS

1. **Direct bartering** is possible with exact matches in wants.
2. **Indirect bartering** helps but increases complexity of trades.
3. Discovering the most tradable good (i.e., most saleable) is a natural process and leads to money.

DISCUSSION QUESTIONS

- What were the most frustrating things you experienced or observed during the three rounds of trading?

- How does gold work as a tradable good?
- Can anything be a tradable good? Cigarettes in a prison?
- Trading cards in a lunchroom? Candy at school?

NOTES

This activity is a participatory game. The more you invest in terms of effort and creativity, the more fun it will be and the more effective.

ADDITIONAL RESOURCES

- **A** • [Activity sheet \(designed handout\)](https://qr.myfirstbitcoin.org/barter.pdf)
<https://qr.myfirstbitcoin.org/barter.pdf>