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## Harry Potter and the Sorcerer's Stone

By J. K. Rowling  
Scholastic Press  
Lesson by Helen Roberts

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**Economics:** Choice, opportunity cost, banking

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**Language Arts:** Making Inferences, Research

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**Synopsis:** Harry Potter learns about wizards, wizard lore, magic and destiny.

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**Materials:** Transparency of "Bank Services" page and a copy for each student of reading on Banks.

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- Procedure:**
1. After reading Chapter 5 "Diagon Alley", explain that wizards kept treasures in Gringotts. **Is it a bank?** Ask students to recall some characteristics of Gringotts. (*White building taller than the others on Diagon Alley, bronze then silver doors, goblin staffers in red-and-gold uniforms, poem on silver door, golden key necessary to open Harry's safe, vaults underground, cart to get to vaults, etc.*)
  2. Distribute **Banks** to each student. Read out loud.
  3. Discuss:
    - a. Why would it be difficult for you to use cash to buy something at a store? (*The cash can be stolen, bulky, heavy to carry.*) Bank checks provide **means of payment**.
    - b. Banks often provide interest on deposits. If you promise to keep your money in the bank for 2 years, would the bank have to pay more money than if you could take it out tomorrow, or less? (*More money or higher interest rate for longer-term deposits*)
    - c. Safe deposit boxes provide a safe place for valuable papers and objects. Banks rent safe

deposit boxes to people and businesses. Why would you put your money in a bank account rather than in a safe deposit box? *(Safe deposit boxes cost money (rent) while many bank accounts pay depositors money, or interest. Checking services are not available for treasures in safe deposit boxes.)*

- d. Banks provide loans from the money people deposit in the bank. The borrowers pay the bank interest to the bank. The bank pays its depositors and also its employees from the interest paid by borrowers. Will the interest charged by banks for loans be greater than or less than the interest rates banks pay on deposits? *(Greater or higher interest rates on loans than on deposits. Otherwise banks would lose money and go out of business.)*
- e. **Is Gringotts a bank?** *(No, it does not accept deposits, or provide loans and payment services. Gringotts provides safe deposit boxes.)*

- 4. Display **Bank Services** transparency.
- 5. Use + or – to indicate whether each bank candidate does or does not provide the service.
- 6. (Optional) Have students write a paragraph: Should Gringotts provide loans? Why or why not?
- 7. Research: Have students find different types of businesses and government institutions called banks around the world and through history. How do these rate on each of the services banks provide?

## **Banks**

A **bank** is a business. It receives money and keeps it save and makes loans and investments to individuals, families, and businesses. The ancient Romans had a banking system that extended throughout their trading world, which included parts of Europe, Asia, and Africa. To be called a bank, an institution must be a **business**, it must **accept deposits**, and it must **make loans**.

People are willing to put their money in an **account** at the bank because it is safer than keeping money at home, because bill-paying is easier, and because, for some types of accounts, the bank pays them money, called **interest**, for keeping their money in a bank. People who put money into a bank are called **depositors**. They are actually lending the bank money. When the money may be needed at very short notice, many people use a **checking account**. Bank checking accounts make paying bills easier. Bank checks are accepted as payment by people, businesses, and government agencies.

## Which Bank Services Do They Provide?

	Characteristics				
	Keeps Money Deposits Safe	Provides Means of Payment	Makes Loans	Provides Safe Deposit Boxes	Provides Other Services
Gringotts					
Bank					
Automated Teller Machine					
Branch in Grocery Store					
Mattress					
Relative or Friend					