The Lord of the Rings
By J. R. R. Tolkein
Lesson by Helen Roberts

Economics: Scarcity, Opportunity Cost, Incentives

Language Arts: Making Inferences, Comprehension

Synopsis: Middle Earth battles good against evil.

Materials: Transparencies of Visuals 1 and 2

Procedure: 1. After reading *The Hobbit, The Lord of the Rings*, or seeing the movies, explain that economics is the study of choices. Ask students to recall some choices they have made. *Answers will vary.*

2. Opening discussion:
   a. Why must choices be made? *(Answers will vary. You can’t spend your money more than once, or be in more than one place at the same time. Et cetera.)*
   b. Explain that resources are limited. This means people can’t have or do everything they might want.
   c. What are some examples of limited resources? *(Revisit choices above and identify the limited resource that made the choice necessary. Answers will vary, but themes should be time, space, and money.)*
   d. Explain that every time a choice is made, the second-best choice is the opportunity cost.
   e. What are some examples of opportunity costs? *(Revisit the choices above and identify the opportunity cost for each choice.)*
   f. What were the consequences of the choices we’ve been discussing? *(Answers will vary. Consequences of alternatives may also be raised.)*
   g. Define incentives as things that motivate or influence people. Examples are money, income, respect, friendship, and so on.
3. Analyze several choices.
   a. Discuss how students came to school today. *(Bus, car, walk, bike, etc.)* What was scarce? *(Probably time, possibly money.)* What were alternatives? *(Answers will vary.)* Was there a choice? *(Students will often say that they had no choice, but the circumstances where that is really the case is very rare.)* Discuss the incentives. *(For example, even if they live miles from school, they could take a taxi, though the money cost is a negative incentive, or walk, though they would have to start very early.)* Identify the opportunity cost. *(Answers may vary for different students.)* Identify positive and negative consequences. *(Answers will vary.)*
   b. Discuss choice of lunch items. Have students identify scarcity, opportunity cost, incentives, and consequences. *(Scarcity might be money (can’t buy more than one lunch), time (only limited eating time), etc. Opportunity cost is 2nd-best choice (but must be possible – can’t include fast food restaurants if school rules mean students aren’t allowed to leave campus. Incentives include nutrition positives, friendship, as well as money costs.)*
   c. Discuss choice of playground/sports uses for area vacant lot. Swingsets and sandboxes versus basketball hoops, baseball diamond or soccer field, for example. Have students identify scarcity, opportunity cost, incentives, and consequences. *(Space is scarce – can’t use space for all three at once.)*

4. Display Visual 2. Identify choices, discuss alternatives, identify incentives, opportunity cost, consequences.
   a. Aragorn Follow Frodo into Mordor
      i. Choices
      ii. Alternatives
      iii. Incentives
      iv. Opportunity Cost
      v. Consequences
   b. Galadriel offered the One Ring
      i. Choices
      ii. Alternatives
      iii. Incentives
      iv. Opportunity Cost
      v. Consequences
   c. Aragorn’s fight at Helm’s Deep
i. Choices
ii. Alternatives
iii. Incentives
iv. Opportunity Cost
v. Consequences
d. Pippin/Merry send Treebeard past Isengard
   i. Choices
   ii. Alternatives
   iii. Incentives
   iv. Opportunity Cost
   v. Consequences
e. Faramir aids Frodo
   i. Choices
   ii. Alternatives
   iii. Incentives
   iv. Opportunity Cost
   v. Consequences

5. Extension
6. Other choices
The Economic Way of Thinking

1. Resources are limited.

2. People always want more.

3. People must make choices.

4. Every choice means an opportunity cost.

5. Choices have consequences.

6. People respond to incentives.
### Analyzing Decisions

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<tr>
<th>Choices</th>
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<th>Consequences</th>
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