

Japan's Economic Miracle

Activities:

Part Two: Factors due to Governmental Policies

Lesson 5: State-assisted capitalism

Requires 20-30 minutes

Materials:

- Rate Game worksheet (Worksheet F)
- Calculators--optional

TO BE USED WITH STUDENTS:

Setting the problem: If you were starting a business, where could you get some financial help? How could the national government help?

1. **Class discussion** Allow groups to respond to the previous questions. Does our government sometimes do this? (grants, etc.)
2. **The Rate Game** With partners have students, try to figure out the interest rates and the total amount to be paid back.
3. **Class discussion** Besides offering loans, how could the government help? What if the government would let you have a low interest loan?

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Handout F

Name_____

The Rate Game

You would like to buy a Video game which costs \$125. You only have \$25.00, but you can borrow the rest of the money from the Friendly Savings and Loan Co.

What if you only borrow \$100,
which interest rate would be best? Show how much better. Remember when multiplying by percentages, you must change each to a decimal, with each percentage worth one hundredth of a whole. For example, 1% = .01, 10% = .10 and so on.

	1%	5%	10%
Interest would be:	<u> </u>	<u> </u>	<u> </u>
Plus the money borrowed	<u>+100</u>	<u>+100</u>	<u>+100</u>
Total to pay back			

What if the amount of a loan was \$1000? \$5000?
which interest rate would be best?

	1%	5%	10%
Interest would be:	<u> </u>	<u> </u>	<u> </u>
Plus the money borrowed	<u>+1000</u>	<u>+1000</u>	<u>+1000</u>
Total to pay back			

	1%	5%	10%
Interest would be:	<u> </u>	<u> </u>	<u> </u>
Plus the money borrowed	<u>+5000</u>	<u>+5000</u>	<u>+5000</u>
Total to pay back			