

## The Berenstain Bears' Mad, Mad, Mad Toy Craze

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### Description:

In this lesson, students use the book, *The Berenstain Bears' Mad, Mad, Mad Toy Craze*, to learn about spending, collecting, opportunity cost, saving, and speculating.

### Personal Finance Concepts:

Spending, opportunity cost, saving, speculation

### Related Subject Areas:

Reading, math

### Instructional Objectives:

Students will be able to:

- Define spending as the use of income to buy goods and services currently.
- Define saving as the use of income to buy goods and services in the future.
- Define opportunity cost as the most important thing people give up when they make a decision.
- Analyze the possible risks and rewards associated with collectibles as an investment strategy.

### Time Required:

One class period

### Materials Required:

1. Copy of *The Berenstain Bears' Mad, Mad, Mad Toy Craze*
2. Copy of Visual 1

### Procedure:

1. Ask students if they have any collections of goods. (*rocks, arrowheads, marbles, Hot Wheels™, Beanie Babies™, baseball cards, Pokemon™ cards, etc.*)
2. Explain that you will read a story, *The Berenstain Bears' Mad, Mad, Mad Toy Craze*, in which the Berenstain Bears begin a collection of Beary Bubbies. At first, they collect them for fun, but later they begin to think that collecting Beary Bubbies will bring them money in the future. Read the story to the class. Discuss the following:
  - a. Where did the cubs get the money for their first three Beary Bubbies? (*They received an advance on their allowance.*)

- b. What did they propose to Papa Bear for getting more money for more Beary Bubbies? (*They asked to do chores for pay.*)
3. Explain that the cubs experienced **opportunity cost** when they asked for an advance on their allowance and when they did chores in return for money. Opportunity cost is the most important thing people give up when they make a decision. Discuss the following:
  - a. What does it mean to get an advance on your allowance? (*This means that you receive money now that you would have received in the future.*)
  - b. The cubs spent their future money on purchasing Beary Bubbies now. What did they give up? (*They gave up toys, games, or some other thing that they could have had in the future.*)
  - c. The cubs used their time to do chores to get money for Beary Bubbies. What else could they have done during the time they spent doing chores? (*They could have played; they could have watched TV; they could have done their homework.*)
4. Explain that the cubs made the decision to give up TV watching or playing or doing homework so that they could do chores for money. They experienced opportunity cost. Discuss the following:
  - a. What opportunity cost did the cubs experience by choosing to do chores? (*They gave up watching TV, playing, or doing homework.*)
  - b. What opportunity cost did they experience by receiving an advance on their allowance? (*They gave up items they could have purchased in the future when they won't receive as much allowance.*)
5. Remind students that, at first, the cubs wanted the Beary Bubbies because all their friends had them, and they were so cute. However, later, the cubs and Papa Bear began to think that the Beary Bubbies would be worth more money over time.
6. Explain that many people collect things. Most of the time, people collect certain things because they enjoy those things. They may be surprised to discover that years later the things they have collected have become more valuable. Collectors find that they can sell their things for more money than they paid for them.
7. Explain that sometimes people collect things because they expect that their collection will be worth more money in the future. These people are speculators.
8. Display Visual 1, The Beary Bubbies Song. Tell students to read through the song first and then to sing it to the tune of *Twinkle, Twinkle, Little Star*.
9. Explain that to **speculate** means to buy something at a low price expecting that you will receive a high price for it when you sell it in the future. This is what the cubs and Papa Bear did. Have students use the words in the song and the story to explain why it may be dangerous to speculate. (*The price of the item might not go up. Or, it might go up at first, but then go back down.*)
10. Explain that **spending** is the use of income to buy goods and services currently. The money the cubs received from their allowance and from their chores was income. They used that income to buy Beary Bubbies. Have students give examples of other ways the cubs could have spent their income. (*Answers will*

vary, but might include other toys, video games, books, and so on.)

11. Explain that the cubs could spend their income, or they could save it. Saving is the use of income to buy goods and services in the future; saving is not spending today.
12. Show students the third - and second-last pages in the book. These pages show the cubs displaying their Beary Bubbies. Refer to the first cub and ask students how many Beary Bubbies he has. (24) Point to each cub and ask the same question. Have students calculate how much money each cub spent on his/her Beary Bubbies, assuming he or she paid an average of \$3 each. Write the calculations on the board. ( $24 \times \$3 = \$72$ ;  $32 \times \$3 = \$96$ ;  $48 \times \$3 = \$144$ ;  $94 \times \$3 = \$282$ ;  $4,202 \times \$3 = \$12,606$ )
13. Reread the fifth - and fourth-last pages, beginning with "There wasn't much you could do with them in the first place." Ask students how the cubs and their parents feel about spending their income on Beary Bubbies. (*The bears seem sorry they spent so much money on them.*)
14. Refer to the calculations on the board, and explain that the cubs could have saved the money they spent on Beary Bubbies. Ask what other things the first cub could have purchased if he would have saved his \$72. Ask the same questions for the other bears. (*Students may have answers for the lower amounts, but may not have answers for the higher amounts. Explain that the cubs could have bought a high-end bike for \$282 and that their parents could have bought a small, new car for \$12,606!*)

### Closure:

1. Explain that, in this lesson, students have learned that income can be used for spending or for saving. Sometimes people use their income to buy something that they hope will increase in value. This can be risky. Discuss the following:
2. What risk do people take when they buy things that they hope will go up in price? (*The price could stay the same or go down.*)
3. When the cubs decided to spend their incomes on Beary Bubbies, what might have been their opportunity cost? (*Answers will vary.*)

### Assessment:

Tell students to write a short story about something that they collect or have collected in the past. The story should include the following information.

- a. what items the student collects/collected
- b. why the student collects/collected these items
- c. the average price of an item in the collection
- d. how much the student has spent on the items in the collection
- e. the opportunity cost of the collection
- f. if the student expects the price to go up for the items in the collection

This could become a "show and tell" where students could bring their collections or samples to class for an oral presentation.

## Extension:

1. Remind students that, in the story, Herb's Hobby Shop ran out of Beary Bubbies for \$2.95. The cubs found other bears who were willing to sell their Beary Bubbies at higher prices. Tell students to calculate each cub's expenditures on Beary Bubbies at prices of \$5 and \$7. Have students identify possible opportunity costs that the cubs would have experienced at these prices.
2. Tell students to interview family and friends about their collections. Have them devise questions regarding spending, opportunity cost, and speculation.

**The Berenstain Bears' Mad, Mad, Mad Toy Craze**  
**Visual 1: The Beary Bubbies Song**

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(Sing to the tune of Twinkle, Twinkle, Little Star)

Beary Bubbies, baseball cards  
Are things that may bring big rewards.

These are things that seem so great  
To those who like to speculate.

But they are risky, so beware.  
You might lose money on your bear!