Resource Factory

COMMERCE SENSE 1

THE CONSUMER AND FINANCIAL ENVIRONMENT

STUDENT EDITION

CG WILLIAMS

Contents

1.2 Factors Influencing Consumer Decisions

Ethical decision-making – food production and ethical consumption

Industrial farming practices harm the environment and raise ethical concerns regarding animal welfare and fair trade. The demand for cheap food can lead to poor treatment of animals and unsustainable agricultural practices. Factory farming often involves confined spaces, use of antibiotics, and inhumane slaughtering methods. Additionally, unsustainable farming practices can result in deforestation, soil degradation, and water pollution. Mass production of food encourages over farming which negatively impact biodiversity (the range of plants and animals) and soil health. The dairy and meat industries in Australia have been scrutinised for their environmental impact and treatment of animals. The agricultural industry (the practice of raising and feeding animals for meat, milk, and growing and harvesting of crops) contributes nearly 10% of Australia's greenhouse gas emissions (Department of Climate Change, Energy, the Environment and Water, 2025).

Consumers have the power to make ethical decisions about their consumption and ultimately reduce their ecological footprint. Let's explore your household's consumption habits to see if there are any opportunities to understand and adopt more sustainable practices.

1. Survey the main shopper in your household the following questions about their food shopping and consumption habits. The answers will help us better understand purchasing decisions and food consumption patterns. Each answer will be assigned to assess how ethical your shopping habits are. Tally your points at the end to see your score!

Section 1: Shopping Habits	**1**	**2**	**3**	**4**	**5**
1. How often do you go grocery shopping? *(1 = More than one a week, 2 = Once a week, 3 = Every two weeks, 4 = Once a month, 5 = Less than once a month)*					
2. On a scale of 1 to 5, how much do you plan your grocery shopping in advance? *(1 = No planning, 5 = Always plan ahead)*					
3. How important are discounts and promotions when deciding what to buy? *(1 = Not important at all, 5 = Extremely important)*					
4. How often do you buy just what you need? *(1 = Never, 5 = Always)*					
Section 1 Sub Total					
Section 2: Food Choices	**1**	**2**	**3**	**4**	**5**
5. How important is buying organic food to you? *(1 = Not important at all, 5 = Extremely important)*					
6. How often do you purchase fresh ingredients rather than pre-packaged food? *(1 = Never, 5 = Always)*					
7. How important is buying locally-sourced food? *(1 = Not important at all, 5 = Extremely important)*					
8. How much influence do family members have on your food purchasing decisions? *(1 = No influence, 5 = A lot of influence)*					

Section 2 Sub Total					
Section 3: Consumption Patterns	**1**	**2**	**3**	**4**	**5**
9. How often does your household eat out or order takeout? *(1 = Every day, 2 = A few times a week, 3 = Once a week, 4 = A few times a month, 5 = Rarely or never).*					
10. On a scale of 1 to 5, how much food does your household waste each week? *(1 = A lot, 5 = None)*					
11. How often do you try new foods or recipes? *1 = Never, 5 = Very often)*					
12. How satisfied are you with the variety of foods available in your household? *(1 = Not satisfied, 5 = Very satisfied)*					
Section 3 Sub Total					

2. Add up your points and write the total in the box below:

The higher your score, the more ethical your shopping and consumption habits may be!

- **50-60 points:** Excellent! Your food habits show a strong commitment to ethical practices.
- **40-49 points:** Great job! You're mindful of your choices but there's some room for improvement.
- **30-39 points:** You're on the right track but consider more sustainable practices.
- **Below 30 points:** There's potential for growth — small changes can make a big impact!

3. What was your household score? Identify three strategies that will help improve the sustainability of your household food consumption.

2.1 The Need for Consumer Protection

The snail that changed the law

Until around a hundred years ago, there was no real consumer law and the legal principle of *caveat emptor* (let the buyer beware) ruled. This meant that the consumer held the responsibility for their purchases and there was no onus on businesses or manufacturers to maintain safety standards. This changed with a landmark legal case in 1932.

Read the information on the case *Donoghue v Stevenson (1932)* and complete the activities that follow.

Case Summary
On August 26th, 1928, Mrs Donoghue visited a café in Paisley, Scotland, where her friend bought her a ginger beer float. The ginger beer came in an opaque brown bottle that made it difficult to clearly see its contents. After pouring some of the drink, Mrs Donoghue discovered what looked to be the decomposed remains of a snail. Upon this discovery, Mrs Donoghue became ill and sought medical treatment.

Figure 1: Donoghue v Stevenson (1932). Created using Gemini AI.

A legal contract existed between the café owner and the purchaser of the ginger beer – Mrs Donoghue's friend. Mrs Donoghue faced a legal challenge because the café owner was not responsible for the snail in the bottle, as it was sealed by the manufacturer, David Stevenson. During this period, there was no clear legal requirement for manufacturers to have a duty of care towards their customers. Despite this, Mrs Donoghue challenged Mr Stevenson in court.

Legal Principle
Did Stevenson (the manufacturer of the ginger beer) have a duty ensure product safety?

Outcome
This landmark case revolutionised consumer protection by establishing manufacturer liability, which stated that companies were responsible for ensuring their products did not harm consumers.

1. Do you agree with the outcome of this case? Why, or why not?

2. The *Donoghue v Stevenson (1932)* case led to the House of Lords (British Parliament) establishing that manufacturers owed a "duty of care." What does this mean and why did it not exist prior to this case?

3. In your opinion, why is it important for the law to make manufacturers responsible for the safety of their products, even if they never directly meet or sell to the consumer?

2.3 The Legal Rights of Consumers

The legal rights and responsibilities of consumers

Caveat emptor is a Latin term which translates to *let the buyer beware,* which means consumers are responsible for their purchases. however, as commerce has evolved, it is important to protect consumers against unethical practices that can take advantage of and potentially harm consumers.
Under the *Competition and Consumer Act 2010 (Cth)*, consumers are protected by a set of rules that all businesses must adhere to. These are known as consumer guarantees and are automatically applied by a seller or manufacturer.

Some consumer guarantees that apply to goods include:

- the goods must be of acceptable quality. This means that the goods must be safe to use, have no faults and must function in a way that you would normally expect.
- the goods must be fit the purpose that they are purchased for.
- they must be accurately described.
- if a sample or demonstration model is provided beforehand, the goods must match this.
- the goods must have spare parts available and be able to be repaired if necessary.
- conditions of warranties and guarantees are met.

If any of these conditions are not met, consumers have the right to seek a remedy. A remedy is a way that a consumer can redress issues through refunds, replacement, repair and, in some cases, compensation.

1. Examine each of the scenarios below and determine if the consumer is entitled to a remedy.

Is the consumer entitled to a remedy such as a replacement, repair or refund?	**Yes**	**No**
(a) Danny bought a new suit for his formal. When he tried it on at home the zipper on the pants broke.		
(b) Lucy bought a laptop on recommendation from the salesperson. Lucy told the salesperson that it was essential the laptop be touch screen. When she got home, she discovered the laptop she purchased did not have a touch screen.		
(c) Alf buys a red sports car. After a week he decides he would prefer a yellow one.		
(d) Lionel purchases a washing machine only to discover that it is cheaper at another shop.		
(e) Claribel bought a swimsuit but learned that if it gets wet, it will shrink.		
(f) Bob is in a restaurant and orders a supreme pizza with no olives. When his order arrives, he notices it is covered with olives.		
(g) Katy buys a new blender but when she goes to plug it in, she hears crackling noises and sees a spark fly.		
(h) Whilst taking photos of her fish, Sofia accidentally drops her new phone into the fish tank, and it no longer turns on.		
(i) Suzie bought a brand-new TV and after two weeks the sound stopped working.		

Boggle 1

Name: ____________ Date: ____________ Score: ____________

Find as many words as you can by linking letters up, down, side-to-side, and diagonally. You can use each tile only one time per word. Write all the words on your worksheet and count your score.
There are nine hidden commerce terms. Each one will be worth double points.

SCORING

Letters	Points
3	1
4	2
5	3
6	4
7	5
8+	7

*Find a commerce term for double points. For example, the word **consumer** has 8 letters which would attract 7 points but because it is a commerce term, it will score 14 points.*

SCORE: ____________

n	e	e	d	s
f	r	t	r	a
m	f	g	a	b
d	o	n	e	w
o	s	t	a	y

1. ____________
2. ____________
3. ____________
4. ____________
5. ____________
6. ____________
7. ____________
8. ____________
9. ____________
10. ____________
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22. ____________
23. ____________
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25. ____________
26. ____________
27. ____________
28. ____________
29. ____________
30. ____________

Resource Factory

COMMERCE SENSE 1

THE CONSUMER AND FINANCIAL ENVIRONMENT

TEACHER EDITION

CG WILLIAMS

2.1 The Need for Consumer Protection

The snail that changed the law

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Outcome
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1. Do you agree with the outcome of this case? Why, or why not?

____

____

2. The *Donoghue v Stevenson (1932)* case led to the House of Lords (British Parliament) establishing that manufacturers owed a "duty of care." What does this mean and why did it not exist prior to this case?

   In 1932 mass production was a relatively new concept and the law had not yet evolved to include consumer protection. Donoghue v Stevenson set a precedent, which means it was the first case to establish the need for manufacturers to ensure the safety of their products.

3. In your opinion, why is it important for the law to make manufacturers responsible for the safety of their products, even if they never directly meet or sell to the consumer?

____

____

2.3 The Legal Rights of Consumers

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Is the consumer entitled to a remedy such as a replacement, repair or refund?	Yes	No
(a) Danny bought a new suit for his formal. When he tried it on at home the zipper on the pants broke.	✓	
(b) Lucy bought a laptop on recommendation from the salesperson. Lucy told the salesperson that it was essential the laptop be touch screen. When she got home, she discovered the laptop she purchased did not have a touch screen.	✓	
(c) Alf buys a red sports car. After a week he decides he would prefer a yellow one.		✓
(d) Lionel purchases a washing machine only to discover that it is cheaper at another shop.		✓
(e) Claribel bought a swimsuit but learned that if it gets wet, it will shrink.	✓	
(f) Bob is in a restaurant and orders a supreme pizza with no olives. When his order arrives, he notices it is covered with olives.	✓	
(g) Katy buys a new blender but when she goes to plug it in, she hears crackling noises and sees a spark fly.	✓	
(h) Whilst taking photos of her fish, Sofia accidentally drops her new phone into the fish tank, and it no longer turns on.		✓
(i) Suzie bought a brand-new TV and after two weeks the sound stopped working.	✓	

Boggle 1 (Answers)

Name: | Date: | Score:

Find as many words as you can by linking letters up, down, side-to-side, and diagonally. You can use each tile only one time per word. Write all the words on your worksheet and count your score.
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SCORE: ____________

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f	r	t	r	a
m	f	g	a	b
d	o	n	e	w
o	s	t	a	y

Answers may include:
*Commerce related terms are in **red***

age	feed	need	teen
art	feeds	**needs**	ten
bag	feet	net	tone
bag	font	new	**trade**
barter	free	**offer**	**trader**
bat	food	one	tree
bat	fret	rat	**wage**
bean	gab	raw	wane
bent	gnaw	song	**wants**
brag	gone	stay	war
brat	**goods**	stone	wart
done	grab	tab	way
drab	green	tab	wear
ear	greet	tar	went
ears	**money**	tear	year
era	nay	tears	years

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COMMERCE SENSE 1

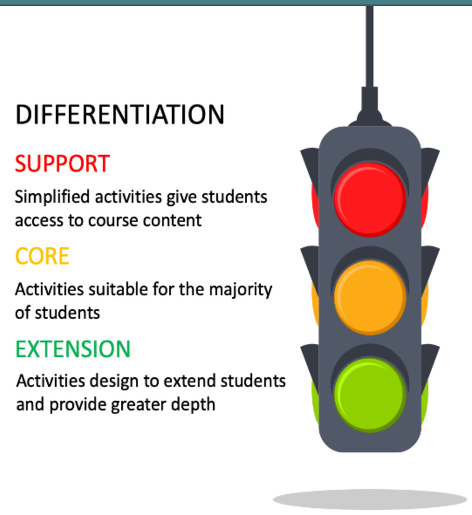
THE CONSUMER AND FINANCIAL ENVIRONMENT

TEACHING PROGRAM

CG WILLIAMS

Differentiation

Each worksheet contains a range of activities that are scaffolded and can be assigned to according the level students are engaging with the content. For example, Worksheet 1.3b is about understanding how Australia's love of credit impacts personal finance. Questions 1-4 can be assigned to students needing support, as these questions simply require students to identify answers from a given text. Students operating within the core level should be attempting questions 1-6 which requires students to complete calculations that will show the cost of personal debt. Questions 7-9 aims to extend students by providing a scenario for an average household mortgage. Students are to use an online calculator to compare repayments when interest rates increase. From this activity students are extended by considering how interest rate changes impacts Australian households. Students are then required to suggest strategies to help Australian's manage their debts. In the programme, this will be indicated under the resource using a traffic light system like this:



Worksheet 1.3b

S	C	E
1-4	1-6	7-9

The program also offers a variety of alternative activities that that can suit students needing support, students operating at the core level, as well students who need extending. These will be included at the end of each section in a table, using the traffic light system.

Resources

The **Student's Edition** of the book includes all worksheets referred to in this program. They are ready to be printed for students to complete.

The **Teacher's Edition** contains suggested answers to all of the activities in the Student's Edition, as well as supplementary materials for activities 1.2j and 3.1c. Additionally, there is extra material such as bingo cards and a sample assessment task, including a post-task evaluation to be completed by students as an assessment as learning activity.

Wherever possible, the use of appropriate audio-visual materials (e.g. ClickView, YouTube, etc.) would enhance student understanding.

<table>
<tr><th>Content</th><th>Teaching learning and assessment</th><th>Resources</th></tr>
<tr><td></td><td>
Ethical decision-making – Food production and ethical consumption

Create a mind map that explore the issues related to consumption. Get students to make deeper connections between concepts. For example, environment damage → deforestation → loss of habitat → runoff → water pollution → loss of marine biodiversity
Other prompts may include, wastage, packaging, energy use, labour exploitation, plastics, landfill, and individualism.
As a class read the text on industrial farming practices to understand how mass production and consumerism are impacting the environment.
Students are to survey the main shopper in their household to uncover their consumption habits.
Students are the use the survey scoring system to calculate how ethical their household consumption habits are.
Based on the survey response, students are to identify three strategies that will help improve the sustainability of their household food consumption.

</td><td>
Worksheet 1.2f
<table><tr><th>S</th><th>C</th><th>E</th></tr><tr><td></td><td>1-2</td><td></td></tr></table>
</td></tr>
<tr><td></td><td>
Ethical decision-making – Corporate responsibility and greenwashing

Get students to think about environmental claims made by businesses. As a class try to list as many of these claims as possible.
Read the text on greenwashing and discuss why this is problematic for consumers.
Read the scenarios provided that describe environmental claims made by businesses. Students are to determine if these claims are genuine.

</td><td>
Worksheet 1.2g
<table><tr><th>S</th><th>C</th><th>E</th></tr><tr><td></td><td>1</td><td>2</td></tr></table>
</td></tr>
<tr><td></td><td>
Ethical decision-making – Quiz

Students are to complete the quiz to test their understanding of factors that influence ethical decision-making.
Students answer questions on scenarios regarding ethical decision making.

</td><td>
Worksheet 1.2h
<table><tr><th>S</th><th>C</th><th>E</th></tr><tr><td>1</td><td>1-7</td><td>8</td></tr></table>
</td></tr>
<tr><td></td><td>
What influences your consumer decisions?

Students are to examine a range of goods and services and identify the factors most likely to influence their purchasing decisions.
Students need to identify the factors that most influence their consumer and financial decisions and assess how awareness of these factors will affect their future spending habits.

</td><td>
Worksheet 1.2i
<table><tr><th>S</th><th>C</th><th>E</th></tr><tr><td></td><td>1-3</td><td></td></tr></table>
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</table>

<table>
<tr><th>Content</th><th>Teaching, learning and assessment</th><th>Resources</th></tr>
<tr>
<td>Part 2: Consumer Protection
2.1 The need for consumer protection</td>
<td>The Snail that Changed the Law

Students read the case of Donoghue v Stevenson (1932) to understand the origins of consumer protection.
Students discuss if they agree with the outcome of this case.
Students discuss what ‘duty of care’ means and why it did not exist prior to Donoghue v Stevenson.
Students consider why it is important for the law to make manufacturers responsible for the safety of their products, even if they never directly meet or sell to the consumer.

The need for consumer protection

Introduce the concept of scams and rip-offs by asking students if they themselves or someone they know has been affected by a scam.
Assessment of Learning task: students are to research one scam and develop an education campaign to raise awareness and prevent consumers from falling victim to scammers.
</td>
<td>Worksheet 2.1a
<table>
<tr><th>S</th><th>C</th><th>E</th></tr>
<tr><td></td><td>1-2</td><td>3</td></tr>
</table>
Assessment of learning task</td>
</tr>
<tr>
<td>2.2 Identify and managing risks as a consumer, including scams and identity theft</td>
<td>ScamWatch Scavenger Hunt

Students are to use the Scamwatch website to explore common scams that affect Australians.
They are to complete a scavenger hunt to reveal the answer to a hidden clue.
Students are to use the Scamwatch website to:

Identify ways that identity can be stolen.
Identify the amount of money lost by Australians in one year.
Identify the top three scams that result in the most money lost.
Identify the gender most likely to lose money to a scam.
Outline what a person should do if they suspect they have been the victim of a scam.
Provide students of an image of a text message that they receive from someone claiming to be the post office with a parcel that has unpaid shipping costs. Students are to explain what they would do in this scenario.

Students are to identify things that they can do to reduce their risk of falling for a rip-off or scam.
</td>
<td>Worksheet 2.2a
<table>
<tr><th>S</th><th>C</th><th>E</th></tr>
<tr><td>1</td><td>1-7</td><td></td></tr>
</table></td>
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</table>