

### Some Questions for Discussion

Below are set out five questions for discussion. We are not looking for a correct answer; we're interested in the reasons for your responses. Note down very briefly your group's responses and reasoning.

1. We all know that the price of commodities goes up and down over time. Here is a graph of the price of gold on world markets between 1972 and 2015.



Where has the value of gold gone to or come from as the price has fallen or risen ?

2. According to a CNN report<sup>1</sup> in June 2015, the value of Greek debt was €323 billion. Value to whom ?

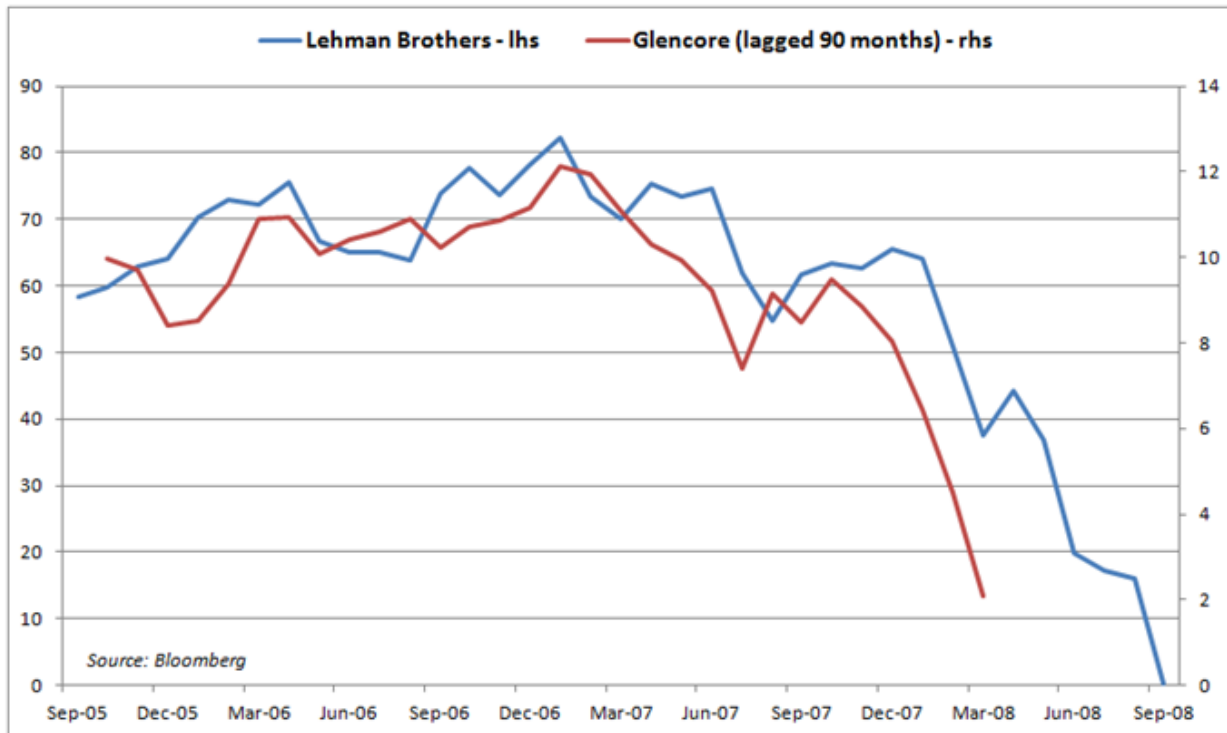


3. In the month of October 2008 \$10 trillion was wiped off the value of worldwide market capitalisation.<sup>2</sup> This included the losses suffered by Lehman Brothers, the biggest corporate collapse in history, with a precipitous share value collapse. (Included in the

<sup>1</sup> Source : <http://money.cnn.com/2015/06/30/news/economy/greece-imf-default/> Accessed 24<sup>th</sup> November 2015

<sup>2</sup> Market capitalization refers to the total dollar market value of a company's outstanding shares. Market capitalization is calculated by multiplying a company's shares outstanding by the current share price.

graph<sup>3</sup> below is Glencore share value in recent months, for comparison). Where does the value 'go' when we say 'share value collapsed' ?



4. "Taking full-time and part-time employees together, for all age groups except 16 to 17, men are paid more on average than women. Also, for all age groups from 22 to 29 upwards, the gap is wider than for full-time employees alone. This indicates that, in these age groups, more women are working part-time in jobs that tend to be lower paid. ... The gender pay gap for all staff in the UK in 2013 was 19.7 per cent, as measured by hourly earnings for all employees."<sup>4</sup>

Does this mean that men are more valuable than women ? Does it mean that men are more valued than women ? (Does it mean neither of these things ?) What then accounts for the difference in the value of pay ?

5. (a) As you take your ticket out to show the bus driver, on the bus home late one night, you inadvertently drop a £5 note on the floor. You don't notice. The following morning in the corner shop, as you get ready to pay for a pint of milk, you can't find the fiver that was there the night before.

(b) You tell Mo' that you've left the £5 you owe him on the table. Mo' arrives to find the money missing; someone has taken it. (It turns out that Gideon took it).

Does it make sense to say that the loss of the fiver was a loss in value ? Is this loss like the other losses we've discussed ?

<sup>3</sup> Source : [https://beta.dailyfx.com/forex/fundamental/article/special\\_report/2015/09/29/Glencore-Stock-Drop-Conjures-Up-Images-of-Lehman-Brothers-Collapse.html](https://beta.dailyfx.com/forex/fundamental/article/special_report/2015/09/29/Glencore-Stock-Drop-Conjures-Up-Images-of-Lehman-Brothers-Collapse.html) Accessed 24<sup>th</sup> November 2015

<sup>4</sup> Source : <http://www.equalpayportal.co.uk/statistics/> Accessed 24<sup>th</sup> November 2015