

Value Is in the Eye of the Beholder

Subjective Value, Information, and Ethics in Economics

Grade Level

Grades 9–12

Time Required

1 class period (30–50 minutes)

Subject Area

Economics / Social Studies

Lesson Overview

In economics, value is not fixed or universal—it is often **subjective** and influenced by personal preferences, knowledge, and access to information. This lesson introduces students to the idea that value can differ dramatically between buyers and sellers, even within a free and voluntary market.

Through a narrative involving an estate sale and a valuable piece of art, students analyze how information, expertise, and ethics affect economic outcomes and explore whether moral obligations exist in market transactions.

Learning Objectives

Students will be able to:

- Explain how value can be subjective
- Analyze how information affects market decisions
- Distinguish between legal transactions and ethical concerns
- Apply economic reasoning to real-world scenarios
- Reflect on fairness and responsibility in voluntary exchanges

Key Vocabulary

- Value
- Subjective Value
- Market Price
- Information Asymmetry
- Opportunity Cost
- Ethics

Anticipatory Set / Narrative Scenario

Read the following scenario aloud to students:

A woman inherits a home from her great aunt. The house is filled with furniture, decorations, and personal belongings collected over a lifetime. Wanting to sell the house quickly, the niece decides to hold an estate sale.

Among the items is a painting that always hung above the mantle in the living room. The niece has always disliked the painting and thinks it is ugly. She places a price tag of \$5 on it.

During the sale, a man approaches her and says he does not really like the painting either, but explains that he is an art dealer. He offers her \$2. After a short negotiation, they agree on \$3, and the painting is sold.

Several weeks later, the woman sees a news story reporting that a local art dealer recently discovered a previously unknown painting by a famous artist at an estate sale. The artwork later sold at auction for \$1.2 million.

She realizes the painting sold for millions was the one she sold for \$3.

Guided Discussion Questions

Lead students through the following questions:

1. Did the art dealer steal from the woman? Why or why not?
2. Did the art dealer have a moral obligation to tell her the true value of the painting?
3. Was the sale fair if both parties agreed to the price?
4. Does the woman have any legal or economic recourse?
5. Who determined the value of the painting at the time of sale?

Encourage students to support their answers using economic reasoning, not just emotion.

Direct Instruction: Value and Information

Explain to students:

- Value is **subjective**—it depends on what someone believes something is worth.
- The woman valued the painting at \$3.
- The dealer valued the painting much higher due to his **knowledge and expertise**.
- Markets often operate with **unequal information**, known as *information asymmetry*.

Emphasize:

- A voluntary transaction occurs when both parties agree to a price.
 - Market value is often only revealed **after** a transaction takes place.
 - Ethical concerns do not always equal illegal actions.
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Student Writing Task (Reflection)

Have students write a brief reflective response addressing the following:

- What economic concepts are illustrated in this scenario?
- Should markets require full disclosure of value?
- How does information affect fairness in economic decisions?

Responses should reference at least one economic concept discussed in class.

Assessment Options

- Participation in class discussion
 - Written reflection (formative assessment)
 - Exit ticket summarizing subjective value
 - Small-group discussion accountability
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Teacher Notes

- This lesson works well after introducing basic market concepts.
 - There is no single correct answer—students should defend positions logically.
 - Encourage respectful disagreement and evidence-based arguments.
 - This lesson pairs well with discussions on consumer protection laws or ethics in capitalism.
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Extensions & Enrichment Activities

Extension 1: Real-World Examples

Have students research real estate sales, antiques, or collectibles that were undervalued and later sold for much more.

Extension 2: Ethics Debate

Divide the class:

- Group A: The dealer acted ethically.
 - Group B: The dealer acted unethically.
- Students must defend their position using economic and moral reasoning.

Extension 3: Personal Connection

Ask students to describe something they value highly that others may not, and explain why.

Extension 4: Law vs. Ethics

Discuss the difference between what is **legal**, **ethical**, and **fair** in economic systems.

Conclusion

This lesson demonstrates that value is not absolute—it is shaped by perspective, knowledge, and circumstance. By examining a seemingly unfair outcome, students gain a deeper understanding of how markets function and why economic decisions often involve ethical considerations beyond simple price.