

Finances, Part 2: Starting a Small Business

(2 hours)

Lesson at a Glance

SUMMARY

Finances, Part 2 highlights the qualities that make a good entrepreneur and invites students to take stock of their own entrepreneurial potential. Building on the place value lesson learned in Part 2, it also prompts students to learn and practice a fundamental approach to business math.

GOALS

- To be familiar with the concept of entrepreneurship
- To think about possible businesses and their Cost of Goods Sold

LEARNER OUTCOMES

Students will...

- Identify qualities that contribute to success in starting and operating a business.
- Learn about a basic unit of business math, the Cost of Goods Sold.
- Learn a strategy for estimating gross profit in a small business.

MATERIALS

VIDEO:

Lifelines: Entrepreneurship
Episode 22: Length: 5:45, Start Time: 8:20

PRINT:

Who's in Charge? You are!
Issue 22, p. 6–7

ACTIVITIES

- View and discuss one **TV411** video segment.
- Complete two *In Print* activities related to the video.
- Review five vocabulary words.

“Who’s in charge?
You are!”

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Step by Step

1. INTRODUCING THE CONTENT

Pre-Viewing Activities

Discuss

- What is an "entrepreneur"? [A person who creates and runs a business in order to make a profit.]
- Has anyone in the class thought about opening a small business?
- Does anyone in the class already operate a small business?

VOCABULARY REVIEW

- entrepreneurship
- Cost of Goods Sold (COGS)
- gross profit
- net profit
- capital

2. MODELING THE STRATEGY

View Video

Lifelines: Entrepreneurship
Episode 22: Length: 5:45
Start Time: 8:20

When Sesean [Shuh-SHAWN], a New York City teenager, became a father, he realized that he would have to get his life on track in order to provide for his family. At the top of his list were getting his GED and supplementing his income from a video store job. So he enrolled in an entrepreneurship program that helped him improve his basic reading, writing, and math skills and start up a small but tasty business.



3. MINING THE STRATEGY

Post-Viewing Activities

Discuss

What qualities did Sesean possess that were useful for owning and operating a business? [Possible responses: he had a "can-do" attitude; he saw an opportunity to sell his product at the video store; he had ambition and he followed through on his ideas; he was a good promoter of his product; he took advantage of a program that could help him succeed.]

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Step by Step (cont.)

Discuss (cont.)

What obstacles did he have to overcome? [Possible responses: he had a family to support while he built his business; he didn't have a high school diploma and may have been weak in basic skills, such as math; he probably didn't have much capital to invest in his business.]

Assess

Have students individually read and complete the self-assessment quiz *Who's in Charge? You Are!* (Issue 22, pp. 6–7).

Discuss

- What did the class learn about the qualities it takes to be an entrepreneur?
- How many students possess one or more entrepreneurial traits?
- How many would like to develop those kinds of skills or strengthen the ones they already have? How could they go about it?
- What obstacles do they face in order to start up a business? How can these be overcome?

Free Write

Working independently, students write a paragraph identifying one strong and one weak quality they possess.

Possible prompts:

- What is your strongest quality?
- Why is it your strongest quality?
- How do you demonstrate it in the things you do?
- What is your weakest quality?
- Why do you think it's your weakest quality?
- How can you strengthen it?

4. EXTENDING AND PRACTICING THE STRATEGY

Workbook Activities

In small groups, students read and complete the second page of the print activity *Understanding Costs* (Issue 22, p. 7).

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Step by Step (cont.)

Create

Prompt the whole class to think about starting up a business. What product would they sell? Together, determine the “COG” of the item they decide upon. Then ask students to figure out a reasonable charge for the item. What will their gross profit be? Afterwards, ask students to consider other costs they will need to calculate to get their net profit: overhead expenses, taxes, etc. When itemizing these costs, are students paying attention to place values and aligning their numbers properly? [See Part 1 of this lesson, Finances, Part 1: Place Value and Money Management.]

5. PORTFOLIO

Students save completed workbook pages in their portfolios. If class time runs out, they can pick up where they left off the next time you meet.

6. HOMEWORK

Ask students to write a paragraph about a business they would like to start up and what qualities they have that would contribute to its success. Or, if they are already entrepreneurs, ask them to describe their business and what kinds of skills they draw upon to operate it.

7. WEB CONNECTION

For lessons on the math involved in running a business, go to www.tv411.org, click on **Math**, then scan the menu for lessons that would interest a budding entrepreneur. Also, check out the online index for **TV411** lessons on math, work, and budgeting.