BIZWORLD®

Version 4.0

Online Resources Business 101

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Short Answer Assessment Questions

Name _____ Date_____

The following are supplemental questions to provide extra insight into your students' BizWorld experience. They are meant to be used in conjunction with the Pre- and/or Post-Assessment, but they could also be used as a type of formative assessment throughout the program.

Instruct your students to answer the following questions using complete sentences.

Suggested for Pre-Assessment and/or Post-Assessment:

- Why is it important for a business to keep track of its finances?

- What makes a business successful?

- Many people start their own business because they want to "be their own boss." Do you think "being your own boss" is harder or easier than working for someone else?

- What do you think are the most important qualities/characteristics of a good team member? Why?

- Do you think all business owners are rich? Please explain why or why not.

Suggested for Post-Assessment:

- If you were to start your own business, explain how you would fund the company. Provide reasons to support your answer.

- If you could have any job in a company, what would it be and why?

- If you were a Venture Capitalist, what kind of companies would you invest in? Explain.

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Lemonade Stand Story-telling Activity

Telling this story is a simple, fun way to introduce BizWorld vocabulary to your students. It also gives you (and the students) a touchstone to refer back to when you are teaching the BizWorld curriculum.

Many students will have prior knowledge of a lemonade stand; however, if most of your students do not, it's very easy to adapt this story and tell it as an ice cream shop, shoe store, or other type of business.

BizWorld Vocabulary and concepts covered in this activity:

- Expense
- Profit
- Profit Equation
- Product
- Rent Revenue
- Salary

Teacher Script:
To help you understand how to make smart decisions about running your own business and learn how to use the words that real business-people use, I'm going to tell you a story about two kids who started their own lemonade stand business. Unfortunately, I don't have any pictures to go with the story, so I'm going to need your help visualizing the events. Do you think you can help me?

It's a hot summer day, and Alexis and Brandon are really excited to make lots of money selling lemonade. It's early in the morning and they have just finished setting up their lemonade stand. What do you see? [*possible responses include lemonade, cups, a pitcher, lemons, ice, poster*]

What product are Alexis and Brandon selling? [*lemonade*]

Now the sun is shining and the temperature is rising; everyone in the neighborhood wants lemonade! Alexis and Brandon can barely keep up with all of their business. Now what do you see? [*long line of customers, pouring the lemonade quickly, running low on supplies*]

How do you think Alexis and Brandon are feeling? [*happy, tired*] Why? [*they're making a lot of money, they're selling a lot of lemonade, lots of people want lemonade*]
How do you think their customers are feeling? [*hot, thirsty, happy*] Why? [*happy to find lemonade on a hot day, thirsty because the sun is shining*]

It's lunchtime now! Alexis and Brandon need a break, but they want to keep making money. What do you think they do? [*ask a friend to help, work through lunch, close up for lunch*]
What can you see? [*long line of people waiting, Alexis and Brandon calling friends to help*]

Lemonade Stand Story-telling Activity (continued)

Now, it's time to go back to work! Brandon and Alexis are busy all afternoon; pretty soon, it's the end of the day and they are both very happy. What do you see? [*empty pitchers of lemonade, pile of money, Brandon and Alexis tired but smiling*] Why are they happy? [*Because they made a lot of money!*]

Yes! They have made a lot of money. [*Show the class **$80 BizBucks** and count the money aloud with the class.*] This money is called **revenue** (the money they made from selling the lemonade).

[*Direct students to the* Profit Equation Worksheet *in their Student Packet. Ask them to find the word "revenue" and write the definition below it.*]

Do you think Brandon and Alexis get to keep all this money?

[*Take a vote as a class (ask students to stand up if they think Alexis and Brandon get to keep all the money, stay seated if they don't).*]

Ask students who voted "no" to explain.

No! Brandon and Alexis need to pay back all the money they borrowed for their **expenses** – everything you saw on their table at the beginning of the day: lemonade [take a few BizBucks], cups [take a few BizBucks], pitcher [take a few BizBucks]. They also have to pay a **salary** to their friends who worked for them over the lunch hour [take more BizBucks away]. Also, the spot (sidewalk, park, school lobby) where they set up their stand is owned by somebody so they have to pay that person **rent** [take more BizBucks away]. [Direct students to the word "expense" on the Profit Equation Worksheet and ask students to list different examples of expenses below the word.]

What's left over? [*Have students count the remaining money; it should be significantly less than the revenue.*]

Now, do Brandon and Alexis get to keep this money? [*allow time for student responses.*]

Yes! This is their **profit**, the money left over after all their expenses have been paid.

What should Alexis and Brandon do if they want to make a higher profit? [*get more revenue (sell more or charge higher prices) or lower their expenses (look for cheaper prices, buy in bulk)*]

Tie the story into the Profit Equation Worksheet by asking students to answer the questions on the Profit Equation Worksheet.

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Grouping Tips

Which job will best match my student?

Chief Executive Officer (CEO)	Vice President (VP) Design	VP Manufacturing
• Organized • Leader • Confident	• Creative • Enjoys drawing and art	• Kinesthetic learner • Enjoys being out of his/her seat
VP Marketing	**VP Sales**	**VP Finance**
• Creative • Enjoys acting/public speaking	• High energy • People person	• Strong math skills • Detail-oriented

BizWorld Groups

Most type of groups work well in BizWorld. However, there are a few qualities to consider when grouping students. Make sure each group:

• is gender-balanced

• has a leader

• has at least one student with high math skills

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Memo: Which Business is the Most Successful?

Name _____ Date_____

Three new businesses were incorporated in town last month. In the first month of business Steve's Candy, LLC generated $3,317 in revenue; Abby's Clam Shack, Inc. brought in $1,288; and Sarah's Sports Shop received $5,512. Steve's Candy, LLC had $1,727 in total expenses for the month, Abby's Clam Shack, Inc. had $973 in expenses, and Sarah's Sports Shop paid $3,275 in total expenses last month.

Which company was the most successful in its first month of business? Why? (Fill in the below chart to help you determine the answer.)

Business	Revenue	Expenses	Profit
Steve's Candy			
Abby's Clam Shack			
Sarah's Sports Shop			

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Memo: Which Business is the Most Successful?

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Which company was the most successful in its first month of business? Why? (Fill in the below chart to help you determine the answer.)

Business	Revenue	Expenses	Profit
Steve's Candy	$3,317	$1,727	$1,590
Abby's Clam Shack	$1,288	$937	$315
Sarah's Sports Shop	$5,512	$3,275	$2,237

Sarah's Sports Shop was the most successful in its first month of business because it generated the most profit.

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Startup Costs

1. Michael is starting a real estate company and needs to rent office space. The first office he looks at costs $11,995.20 per year to rent. Another office costs $9,712.80 per year and a third space costs $10,244.40 per year. Michael has decided to rent the office space with the lowest yearly cost, how much will he save over the highest priced space?

   Answer: _____ (Show your work below)

2. Michael received an $18,500.50 investment from a venture capitalist and also borrowed $4,480.50 from the bank. How much money will Michael have remaining after he budgets for his annual rent and spends $3,214.50 on new office equipment?

   Answer: _____ (Show your work below)

3. When Michael picks up the keys to his new office, he will have to give the landlord a security deposit, which is equal to one month's rent. How much will Michael have remaining after he pays the security deposit?

   Answer: _____ (Show your work below)

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Startup Costs

1. Michael is starting a real estate company and needs to rent office space. The first office he looks at costs $11,995.20 per year to rent. Another office costs $9,712.80 per year and a third space costs $10,244.40 per year. Michael has decided to rent the office space with the lowest yearly cost, how much will he save over the highest priced space?

   Answer: _$2,282.40_ (Show your work below)

   _$11,995.20 - $9,712.80 = $2,282.40_

2. Michael received an $18,500.50 investment from a venture capitalist and also borrowed $4,480.50 from the bank. How much money will Michael have remaining after he budgets for his annual rent and spends $3,214.50 on new office equipment?

   Answer: _$10,053.70_ (Show your work below)

   _$18,500.50 + $4,480.50 - $9,712.80 - $3,214.50 = $10,053.70_

3. When Michael picks up the keys to his new office, he will have to give the landlord a security deposit, which is equal to one month's rent. How much will Michael have remaining after he pays the security deposit?

   Answer: _$9,244.30_ (Show your work below)

   $9,712.80 ÷ 12 months per year = $809.40

   _$10,053.70 - $809.40 = $9,244.30_