



BIZ KID\$

Episode 107: A Biz: What is it?

Episode 107 Synopsis:

You'll see that a successful business supplies goods or services and makes profit when it earns more money than it spends. Meet the junior high boy who makes healthy dog biscuits, the high school twins with a cake decorating company, and the college student seeking investors for his successful corporation.

Contents

Biz Terms (Vocabulary)
Equipment and Materials Needed
Day One: Lesson Plan
Day Two: Lesson Plan
Family Activity Sheet

Biz Kid\$ Curriculum Package #107



BIZ KID\$

Episode 107: A Biz: What is it?

Biz Terms

- | | |
|-----------------------|---------------------|
| 1. benefits | 13. income |
| 2. board of directors | 14. incorporate |
| 3. business | 15. net profit |
| 4. business plan | 16. partnership |
| 5. corporation | 17. pay period |
| 6. customer service | 18. revenue |
| 7. establishment | 19. services |
| 8. executive | 20. shareholders |
| 9. expense | 21. sole proprietor |
| 10. franchise | 22. taxes |
| 11. goods | |
| 12. gross profit | |

Suggestions for using Biz Terms include:

- Have students research and write dictionary definitions.
- Discuss the use of these terms in the episode of "Biz Kid\$".
- Have students construct sentences using these terms.
- Have students write paragraphs, stories, dialogs, "raps", or lyrics.



Episode 107 How Do You Get Money?

Equipment/Materials/Prep needed:

Day One and Day Two:

- TV or projection system
- DVD player
- DVD of Episode 107

Day Two only:

- Student copies of the "Family Activity Sheet".
- Student copies of the "Biz Terms" Sheet.
- Paper, pens, pencils, color markers, and highlighters for students making ads and posters.
- Computers for students to explore web sites listed.
- Guest speaker to be greeted and directed to the correct location for the session.

Preparation:

- Check to be sure needed equipment is available and operational prior to the sessions.
- Gather listed materials.
- Make an appropriate number of copies of the "Biz Terms" Sheet and the "Family Activity Sheet".
- Invite guest speaker from the local community regarding fraud and how to prevent being scammed.



Episode 107: A Biz: What is it?

Day One

Previewing Questions:

Day One Introduction

Welcome students/youth to **"Biz Kid\$"** and introduce yourself, giving your name and job title.

Explain that **"Biz Kid\$"** is a program to help people become financially educated, learn work-readiness skills, and to even become entrepreneurs...Biz Kids!!! They can view the program **"Biz Kid\$"** with their families on Public Television stations all over the country, and also participate by using the **"Biz Kids"** web site. Today, they get to see an episode with you.

Today's pre-viewing question:

Why would someone start a business?

Conduct a brief discussion about why someone might start a business. Provide an example, such as running a lemonade stand, to encourage student responses.

List ideas offered by students on a blank overhead transparency or on a whiteboard.

Students will probably mention that people often start a business to earn income. Define **income** as money that is earned from the sale of goods or services.

Ask the students, **"If you were running a lemonade stand where you sold lemonade for 10 cents a cup, how much money would you earn if you sold 50 cups of lemonade?"**

Work through the math problem together, showing the students that $\$0.10 \times 50 = \5.00 .

Explain that this total amount of money earned is called **gross profit**.



Do you get to keep all of the gross profit???

Think about that question; we'll discuss it further after watching this episode of "**Biz Kid\$**".

Show Episode 107: "A Biz: What It Is"

Activity to follow viewing the program together:

Before we saw this program, I asked you whether or not you get to keep all of the **gross profit** from the lemonade stand.

1. What do you think now???
2. What did we not consider before viewing **Episode 107 of "Biz Kid\$"**?

Allow student input. They will probably mention the cost of doing business. Continue the discussion.

Remember the amount of the gross profit from the lemonade stand? You sold 50 cups of lemonade at 10 cents each, making \$5.00.

However, we didn't discuss the **expenses** involved in the lemonade stand business. Explain that anything they need to purchase for the business is considered an **expense**.

Let's think about what supplies might be needed.

If you needed to buy a bag of lemons that cost \$1.50 and a small bag of sugar that cost \$1.25 to start your business, what would be the cost of your expenses? ***(Repeat the question if necessary.)***

Work through the math problem together on the board or overhead projector, showing the students that \$1.50 (lemons) + \$1.25 (sugar) = \$2.75.



The money used to pay for expenses has to come from somewhere. While you initially may have paid for the sugar and lemons with money from your family, or out of your own piggy bank, you'll want to pay that money back from the money you earned with your lemonade stand, or from your gross profit.

What you have left when you subtract all your expenses from your gross profit is called your net profit.

So, if your expenses totaled \$2.75 and your gross profit was \$5.00., what would be the net profit? ($\$5.00 - \$2.75 = \$2.25$)

How much do you get to keep after all the bills are paid?

That's correct; \$2.25 is your net profit.

Thank students for their participation.



Episode 107: A Biz: What is it?

Day Two

Day Two Introduction

Play part of the theme music for "Biz Kid\$" from the episode intro to motivate and engage the students. Then stop the music, welcome the students/youth to today's session, and introduce yourself.

Review and Connect with the Previous Session

In **Episode 107 of "Biz Kid\$"**, you learned about gross profit and net profit. You met some Biz Kids who have started their own businesses.

There were **Gina and Dominica**, who started their own cake business called "**Twin Sweets**". They love baking and decorating cakes, so they turned what they love doing into a money-making business. They are saving money they earn to expand their business someday and have their own bakery.

Bryant loved walking neighborhood dogs, but wanted to do even more. He started "**Bryant's Biscuits**", a business that makes fresh dog biscuits in a variety of flavors. He gave his dog-walking customers free samples to get them interested. He showed us how he calculates his expenses in order to set his prices so that he makes more money than he spends.

Cory sells DVD's on eBay, and wrote a book titled "**Ebay Millionaire or Bust**". He made half a million dollars in his first year of business!! He saw a need and made a business plan to meet that need as well as to make a profit. His friend **Seth** developed a computer program called "**ProfitBuilderSoftware**" to help business owners with their business plans.

Sam created a cookbook called "**Can I Have That Recipe?**" to raise funds to fight the disease MS. Her mother suffers from MS and Sam wanted to do more to help people. She has already raised \$16,000.00



for the MS Society. Sam is making a charitable contribution to fight MS with her profits.

We also learned that your local public library is a good resource for information regarding business plans and specific businesses.

Now, to refresh your memories, let's see if you can calculate some gross and net profits. You may want to use a paper and pencil for this, or you may just want to do the math in your head!

As a class, work through the calculations to find the answers to the questions below.

Using the overhead projector, display the following problem:

Lorraine runs a dog-grooming business. To start her business, she needs to buy a bottle of dog shampoo for \$3.00 and a special dog brush for \$2.00. She will charge \$3.00 a visit and has six visits scheduled for this week.

What are Lorraine's expenses? (\$5.00)

What is Lorraine's gross profit? (\$18.00)

What is Lorraine's net profit? (\$13.00)

Now you're ready for the next activity!

Activity

Explain that students will now play a game called "Profit Bingo" in order to practice recognizing and calculating gross and net profit.

Profit Bingo Game Instructions

Object: To be the player who correctly marks five spots in a row (horizontally, vertically, or diagonally) on his or her Game Card.



Game Play:

1. The teacher/volunteer randomly selects a question from the **Profit Bingo Game Question Set**. If possible, the teacher/volunteer displays the question on an overhead projector.
2. Each student independently determines the correct answer to the question.
3. The students look for that answer on the **Profit Bingo Game Card**.
4. If the answer is on the Card, the students circle that answer.
5. Repeat this process until one student has found and marked five answers in a row (horizontally, vertically, or diagonally) and calls out "bingo."
6. The teacher/volunteer verifies the answers marked by the student. If the student has five correct answers marked, he or she is the winner. If not, the game continues until a student is declared the winner.

One at a time, display each question on the overhead projector and read it aloud to the class. Allow the students up to one minute to determine the answer to each question, and mark their **Game Cards**. Keep a running tally of the correct answers so that you can verify the Cards.

Depending on the time, you may want to play more than once.



Bingo Answers:

1. Income	11. \$48	21. \$54
2. Expenses	12. \$18	22. \$60
3. Gross profit	13. \$21.75	23. \$11
4. Net profit	14. \$14	24. \$61
5. \$6	15. \$100	25. \$0.54
6. \$5	16. \$65	26. \$20
7. \$16	17. \$49	27. \$30
8. \$1.55	18. \$8.50	28. \$8.17
9. \$4	19. \$235	29. \$133
10. \$12	20. \$300	30. \$24

Summary and Review

Ask for student volunteers to briefly explain the difference between gross profit and net profit.

Challenge the students to create new word problems for their fellow students. They can make the problems more difficult by requiring net profit or gross profit earned over a long period of time to be calculated.

Distribute the **Family Activity Sheet** and the **Biz Terms Sheet** for Episode 107 to all students.

Thank students for their attention and participation.



Episode 107: A Biz: What is it?

Family Activity Sheet

Episode 107 Synopsis:

You'll see that a successful business supplies goods or services and makes profit when it earns more money than it spends. Meet the junior high boy who makes healthy dog biscuits, the high school twins with a cake decorating company, and the college student seeking investors for his successful corporation.

Family Activities:

Here's a simple game to help your child understand the difference between goods and services. As you drive around town, point out business storefronts or signs. Ask your child which businesses sell goods, and which provide services. You can also pick a page from the phone book business section and discuss the listings.

To further your child's understanding of **net profit** and **gross profit**, offer the opportunity to look at an actual pay stub. Show your child the **gross profit**, but explain that money is taken out of each check for taxes and other benefits. The amount that remains is the **net profit** per pay period.

