

BIZWORLD™

MEMO 1 KEY

Name:

Date

Message:

Please answer the following questions.

1. What is a business?

[a sole proprietor, partnership, or corporation that creates a product or service; the occupation, work, or trade in which a person is engaged; a commercial enterprise or establishment]
(Answers may vary)

2. List 5 different types of businesses.

[hardware store, restaurant, doctor's office, farming, internet search, university...] (Answers may vary)

3. What is the measure of a successful business?

[make money (profit), creation of jobs, benefits the community (by bringing money into the community, products or services)...]
(Answers may vary)

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MEMO 2 KEY

Name:

Date:

Message:

Congratulations! You and a group of your classmates are going to start and run your own business. The following list includes steps that every company must complete in order to be successful. Number the steps (1 to 6) in the order you think they should happen.

- 5 Sell your product
- 3 Manufacture, or make, a product efficiently
- 4 Market and advertise your product
- 2 Design a product
- 6 Determine whether your company is profitable
- 1 Raise money to finance your company

Write two additional steps you think are important in order for a company to succeed. (*Answers may vary*)

1. [estimate expenses or the cost of doing business]

2. [hire the best employees]

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MEMO 3 KEY

Name:

Date:

Message:

The following is a list of earning and unemployment rates, based on education level, for individuals ages 25 and over working full-time.

Education Level	Unemployment Rate	Median Annual Salary
Graduate degree	2.9%	\$55,328
College degree	3.3%	\$46,800
Some college, no degree	5.2%	\$32,344
High school diploma	5.5%	\$28,808
Some high school, no diploma	8.8%	\$20,592

Source: Unemployment rate, 2003 annual average: Bureau of Labor Statistics; earnings, March 2003: Bureau of the Census median weekly earnings time fifty two weeks.

Questions: Answer the following questions based upon the above information.

1. What are some examples of graduate degrees?
Sample answers: Masters in Business Administration, medicine, dentistry, optometry, law, Certified Public Accountant
2. Why do you think the unemployment rate for individuals with a graduate degree is the lowest?
Answers may vary - graduate degrees often provide a career specialty in a much needed industry
3. Based on this information, calculate the difference in earnings between an individual with a college degree and a high school diploma over a 30 year career.

$$(30 \times \$46,800) - (30 \times \$28,808) = \$539,760$$

Note: This is an earning greater than half a million dollars for what is typically a 4-year college degree

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MEMO 4 KEY

Name:

Date:

Message:

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 would you say was most successful in its first month of business? Why?

Steve's Candy, LLC could be identified as the most successful as it generated the most profit.

Revenue - Expenses = Profit
Steve's Candy, LLC: \$3,317 - \$1,727 = \$1,590

Or

Sarah's Sports Shop could be identified as the most successful as it generated the most revenue.

Andy's Soccer Camp

1. Andy wants to start a sports camp. Andy needs to buy enough balls for 20 people. Andy finds three different estimates from three different stores. The first quote or estimate is \$875.00. The second estimate is \$750.00. The third estimate is \$800.00. Andy picked the second estimate. How much money will Andy save by picking the second estimate instead of the first?

Please show your work.

Answer: $\$875 - \$750 = \$125$

2. Andy saved \$285.00 of his own money and borrowed \$500.00 from the bank to start his sports camp. How much money will Andy have left after he buys the balls from question 1?

Please show your work.

Answer: $\$785 - \$750 = \$35$

3. Each person who goes to Andy's soccer camp will pay \$50.00. Andy has 20 people signed up to go to his camp. How much revenue will the soccer camp generate? How much money will Andy earn from his camp when he is finished (after expenses)?

Please show your work.

$\$50 \times 20 = \$1,000$
 $\$1,000 - \$750 = \$250$

Answer: \$250

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MEMO 5 KEY

Name:

Date:

Message:

Making a pitch to the venture capitalist is your company's first opportunity to raise the money (\$BB) you will need to fund the design process. Your company will need approximately \$15-20 BB for design expenses.

List 5-10 things about your company, employees or product that the venture capitalist may want to consider before determining if and/or how much money to invest in your company. *(Answers will vary)*

1. <i>Strong leadership</i>	6. <i>(Answers will vary)</i>
2. <i>Creative design ideas</i>	7. <i>(Answers will vary)</i>
3. <i>Good teamwork</i>	8. <i>(Answers will vary)</i>
4. <i>Ideas for a good marketing campaign</i>	9. <i>(Answers will vary)</i>
5. <i>An understanding of the market</i>	10. <i>(Answers will vary)</i>

BIZWORLD™

MEMO 6 KEY

Name:

Date:

Message:

1. Describe your friendship bracelet design. Include specifics such as the combinations of colors and the style of weave you envision.

(Answers will vary)

2. How might the sale of your friendship bracelet be influenced if another company were to copy the design?

Depending on the size of the market (consumers of a product or service), competition can reduce sales, therefore decrease revenue and profit.

3. How can a company or an individual protect or prevent others from copying a unique design?

*A **patent** is protection granted by a government that gives the creator of an invention (product, design or process) the sole right to make, use, and sell that invention for a set period of time.*

Flower Power, LLC

Steve started a company called Flower Power, LLC. The flower shop has been in business for 15 years and is known for having a lot of different flowers. Steve is proud to sell roses in almost every color.

Can you help Steve finish these orders from his customers?

1. Steve has a customer who wants one dozen (12) roses with an equal number of red roses and an equal number of yellow roses. How many red roses and how many yellow roses should Steve put in the bouquet so that there are one dozen total with equal numbers of red and yellow?

Please show your work.

Answer: 6 red roses & 6 yellow roses

2. The next customer asked Steve for a bouquet almost the same as the one he made in question 1. This time the customer wants one dozen roses made of 3 different colored roses: red, yellow and pink in equal amounts. How many roses of each color should Steve put in the bouquet?

Please show your work.

Answer: 4 red roses, 4 yellow roses, and 4 pink roses

3. The final order is from a customer who saw the bouquets Steve already made and wants one dozen roses but made up of 4 different colors: red, pink, yellow and white in equal amounts. How many roses of each color will Steve put in the bouquet?

Please show your work.

Answer: 3 red roses, 3 pink roses, 3 yellow roses, and 3 white roses

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MEMO 7 KEY

Name:

Date:

Message:

Many products that are produced in large numbers utilize a manufacturing technique known as an assembly line. One example of a product commonly manufactured through the use of the assembly line process is the automobile.

1. Explain how an automobile is assembled by the assembly line process.

The assembly line is defined as a manufacturing process in which a product is assembled by many people or machines doing specific parts of production. Automobiles are assembled in this way as people or machines repeatedly perform specific tasks as each automobile moves along the assembly line.

2. Can you think of other products that are made by the assembly line process?







(Answers will vary)

3. Identify three benefits or advantages to using the assembly line process. (Answers will vary)

- a. Decreased production time
- b. Decreased production costs
- c. Product consistency

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VENTURE CAPITALIST VS. BANK KEY

Venture Capitalist vs. Bank	Receives ownership in your company	Charges your company interest on the money	Requires your company to repay the money	Is paid only if your company profits	Has an interest in the long term success of your company	Functions as a partner in your company
Venture Capitalist						
Bank (loan)						

Peggy's Fundraiser

Peggy and her friends want to raise money for her local animal shelter to help pay for more dogs and cats to be cared for.

1. Peggy and her friends decide to have a car wash using the local library parking lot for the event. A local company tells Peggy that they will match the revenue made from the carwash (give an equal amount of money as what was raised) to Peggy and her friends. If the carwash makes \$65.00, how much will Peggy and her friends have after the company gives her the matching donation?

Please show your work.

Answer: $\$65 + \$65 = \$130$

2. The carwash was a success. Peggy and her friends washed 24 cars at \$5.00 per car. How much money did Peggy and her friends earn? How much money will they have after the company matches their earnings?

Please show your work.

Answer: $24 \times \$5.00 = \120
 $\$120 \times 2 = \240

3. The total amount earned in question 2 has helped Peggy and her friends get half way to their fundraising goal. What is their total fundraising goal?

Please show your work.

Answer: $\$240 \times 2 = \480

4. What are some other ways Peggy and her friends could try to raise money to reach their goal? (Answers will vary)

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MEMO 8 KEY

Name:

Date:

Message:

The following is a series of questions designed to assist you and your company in estimating the number of products you will be able to produce today.

1. Approximately how long did it take you to make a prototype during Session Six? *(Answers will vary)*

Answer _____

2. Based on your answer in the question above, how many bracelets do you estimate you will be able to produce in 30 minutes?
(Answers will vary)

Answer _____

3. How many people does your company employ?
(Answers will vary)

Answer _____

4. If everyone in your company is able to make a product at the above rate, how many bracelets would you estimate your company will produce in 30 minutes? This is your estimated production.
(Answers will vary)

Answer _____

5. Identify ways in which your company could increase its estimated production? *(Answers will vary)*

1. The double twist style is faster to produce
2. Use of an assembly line
3. Define our specific design(s) before starting
4. Set personal goals

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ESTIMATED VS. ACTUAL PRODUCTION KEY

1. How many bracelets did you estimate your company would be able to produce? *(Answers will vary)*

Estimated Production = _____

2. What is the actual number of bracelets that your company was able to produce? *(Answers will vary)*

Actual Production = _____

3. What is the difference between your estimated production and actual production?

Actual - Estimated = Difference

4. What percentage of your estimated production did you actually produce?

(Estimated ÷ Actual) × 100 = % of estimated production

5. Identify three factors that could have increased your company's actual production. *(Answers will vary)*

- a. Use of an assembly line
- b. Better planning
- c. Setting goals

Homework - Level II

TONY'S PIZZERIA

Tony is the owner and founder of Tony's Pizzeria, which is a well established pizza shop in town. Tony keeps his business model simple: he offers only two sizes, medium and large, and keeps his pricing structure simple. On average, Tony's Pizzeria sells 100 large pizzas per week and 50 medium pizzas per week. Over the last three years of business, Tony has calculated his total expenses to be an average of \$1,500 a week and his profit to be approximately \$1,000 per week.

1. How much money does Tony's Pizzeria generate in total revenue each week?

$$\$1,500 + \$1,000 = \$2,500$$

Answer \$2,500

2. Tony charges \$20.00 for a large pizza. How much does he charge for a medium pizza? Show your work.

$$100 \times \$20 = \$2,000$$

$$50 \text{ pizzas} \times ? = \$500$$

Answer \$10

3. Tony's landlord is about to increase his rent by \$150.00 per week. As a result, Tony is planning to increase the price of his pizzas by \$1.00 each. Assuming business remains steady, how will this change in price effect Tony's weekly profit? Show your work.

$$\$21 \times 100 = \$2,100$$

$$\$11 \times 50 = \$550$$

$$\$2,650 - (\$1,500 + \$150 \text{ (rent increase)}) = \$1,000$$

Answer stays the same

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MEMO 10 KEY

Name:

Date:

Message:

Companies often use logos and slogans to help customers easily distinguish the company's brand or product. A **logo** is a graphic representation of a company name often uniquely designed for easy recognition. A **slogan** is a distinctive phrase or motto identified with a particular company or product.

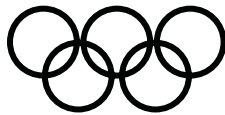
How many of these companies and/or products can you identify from the logos and slogans below?

1.



Disney

2.



International Olympic
Committee

3.



Mercedes-Benz

4. "Just do it."

Nike

5. "I'm lovin' it."

McDonald's

6. "Let your fingers do the walking."

Yellow Pages

7. "Have it your way."

Burger King

8. "Melts in your mouth, not in your hand."

M & M's

9. "The thirst quencher."

Gatorade

10. "Breakfast of champions."

Wheaties

Budget for the Future

The following is a sample budget for the month, which includes revenue and expenses. Please refer to the questions below after reviewing the list. Please calculate your total revenue and/or expenses for each chart.

Revenue	
Allowance	\$75
Odd jobs	\$100
Gifts	\$25
TOTAL Revenue	\$200

- Using the information in the chart to the left, please create a pie graph to represent what portion of your revenue is represented by allowance, odd jobs and gifts.

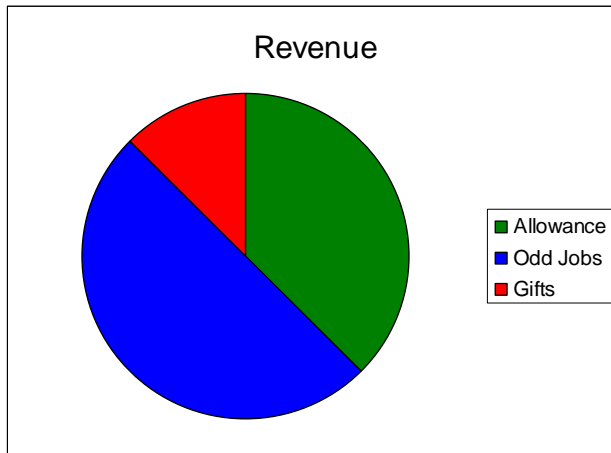
- Using the information in chart 2, please create a bar graph which shows how much money is spent on each expense and how they compare to each other.

EXPENSES	
Money I owe	\$15
Savings for college	\$45
Public transportation	\$20
Lunch	\$25
Cell Phone	\$40
Music, video games	\$25
Movies/concerts/sports	\$30
TOTAL EXPENSES	\$200

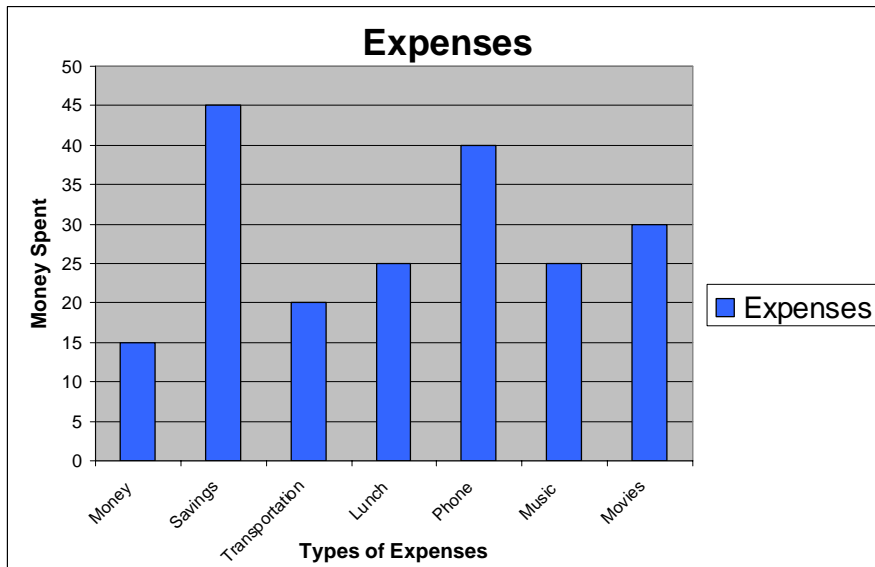
- Using the information in chart 3, please create a line graph that illustrates the change in monthly expenses over time.

Monthly Expenses	
January	\$40
February	\$10
March	\$15
April	\$30
May	\$25
June	\$35
July	\$35
August	\$40
September	\$20
October	\$25
November	\$30
December	\$50
Total	\$355

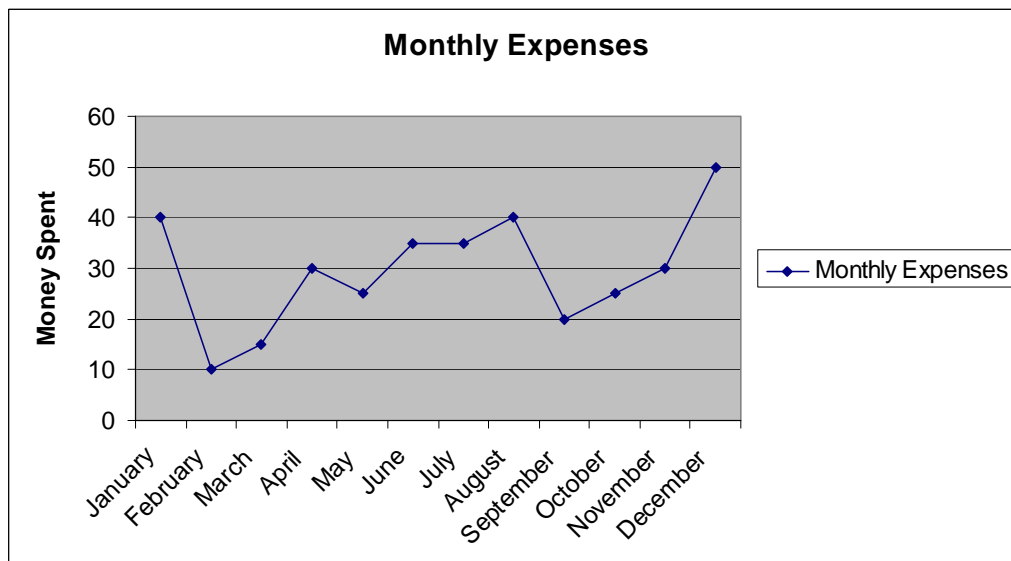
1.



2.



3.



BIZWORLD™

MEMO 12 KEY

Name:

Date:

Message:

The Friends First Bracelets Company has been profitable for the past several years. As the founder and president of the company, Steve owns 80 of the 100 shares of stock in the company. The company was recently valued at \$150,000.00 (one hundred fifty thousand dollars).

Bracelets Unlimited, Inc. is another successful company in the friendship bracelet industry. Bracelets Unlimited was founded by Laurie who recently sold the company but still owns 300 of the 1000 shares of stock in the company. The company was recently valued at \$600,000.00 (six hundred thousand dollars).

1. Which individual, Steve or Laurie, currently has a larger dollar value based upon ownership in the company they founded?

Laurie has a greater value.

Laurie's Value = $(300/1,000) (\$600,000.00) = \$180,000.00$

Steve's Value = $(80/100) (\$150,000.00) = \$120,000.00$

2. Which individual currently has a greater influence on the future direction of the company they founded? Explain how you made this conclusion in the space below.

Steve has a greater influence.

Steve owns a majority share of stock in his company and is the current president.