

# Entrepreneurship and Small Business

## Instructor Guide

# Instructor Guide

# Overview

## Course Structure

The course is structured to learn by doing, practice the learned skill, and then apply the skills.

- Unit
  - Lesson
    - Learn Tasks
    - Practice Exercises
    - Practice Questions
  - Objective Assessment
  - Create Project

Each unit contains lessons. The lessons are introduced by lesson topics where learners can understand through doing or learning through study materials (eBook, QuickDecks or QuickClips). Each lesson concludes with a Practice Exercise that incorporates the tasks they learned throughout the lesson. Once they have completed the lessons in the unit, learners are assessed through a question-based Objective Assessment and a Create Project.

## Delivery

The course is created so it can be customized to meet the needs of the instructor and the learner.

- **Direct Instruction:** Utilize the PowerPoint presentations to introduce each lesson topic, then have the learners review the study materials and complete the task.
- **Flipped Classroom:** Learners complete online lessons outside of class time. Learners utilize the class time to discuss learned tasks, allow learners to teach concepts, expand concepts through learning stations, and work on unit extension or unplugged activities.
- **Learner-Centered Approach:** Use the prescriptive learning model so learners can focus on new skills and skip the skills they already know. Learners can work at their own pace on their own schedule to complete the course. Instructors support learners by utilizing the answer keys to identify struggles and guide learners through the solutions.

## Differentiation

- **Study Materials:** Study materials are available in eBook, QuickDecks and QuickClips format. Each study material provides the same concepts and allows the learners to choose the modality that best fits their learning style. The eBook introduces concepts in bite-sized readings. QuickDecks display materials in a flashcard format. QuickClips provide a video and audio-based clip.
- **Course Progression:** Learners can complete the learn task to demonstrate understanding before reviewing the study materials or they can review one or all the study materials before attempting the learn tasks.

- **Grouping:** Create groups for different learning levels or styles. Customize each group setting to best meet the needs of the learners.
- Provide struggling learners with answer keys to follow step-by-step instructions to complete tasks and exercises.
- Encourage learners to showcase their newly learned skills by creating additional real-world projects, teach others how and why to use new skills, and explore beyond their learning.

## Prepare for Delivery

- Begin with the unit overview to understand the structure and flow of the unit, the topics covered, the approximate time to complete and the exam objectives reviewed.
- Review the lesson PowerPoint presentation to give you an in-depth look at each lesson topic and the comprehensive topic notes included.
- Review the answer keys to familiarize yourself with the tasks learners will complete throughout the lesson.
- Complete the lesson.

## Instructor Resources Overview

<b>Instructor Resources File Structure</b>	<ul style="list-style-type: none"> <li>📁 Instructor Resources <ul style="list-style-type: none"> <li>📄 Course Syllabus</li> <li>📄 Course Overview</li> <li>📄 Course Key Terms</li> <li>📄 Course Instructor Guide</li> </ul> </li> <li>📁 Unit <ul style="list-style-type: none"> <li>📁 Unit Assessment Answer Keys <ul style="list-style-type: none"> <li>📄 Create Project</li> <li>📄 Objective Assessment</li> </ul> </li> <li>📁 Lesson <ul style="list-style-type: none"> <li>📁 Answer Keys <ul style="list-style-type: none"> <li>📄 Lesson Practice Exercises</li> <li>📄 Learn Tasks</li> <li>📄 Lesson Practice Questions</li> </ul> </li> <li>📁 Study Guides <ul style="list-style-type: none"> <li>📄 Study Guide Complete</li> <li>📄 Study Guide Fill-In Explanation</li> <li>📄 Study Guide Fill-In Topic</li> </ul> </li> <li>📄 Lesson PowerPoint Presentations</li> </ul> </li> <li>📁 Unplugged Activities</li> <li>📄 Unit Overview</li> <li>📄 Unit Learning Plan</li> <li>📄 Unit Key Terms</li> </ul> </li> </ul>
<b>Unit Assessment Answer Keys</b>	Each unit includes two types of assessments for learners to apply their knowledge.

	<ul style="list-style-type: none"> <li>• <b>Create Project</b> - These are project prompts and sample solution files. Create projects also include “show me” videos for learner reference. You have the option to enable/disable this feature.</li> <li>• <b>Objective Assessment</b> - A comprehensive question and answer-based assessment for the unit. Objective Assessments include “show solution” for learner reference. You have the option to enable/disable this feature.</li> </ul>
<b>Answer Keys</b>	<p>Documents containing answers, step-by-step instructions, and correct answers for Instructor reference or to offer additional support material for learners.</p> <ul style="list-style-type: none"> <li>• <b>Learn Tasks</b> - Each lesson topic includes an opportunity to apply what they have just learned in-app or by answering questions. Learn Tasks also include “show me” videos and “show solution” for learner reference.</li> <li>• <b>Lesson Practice Exercises</b> - End of lesson in-app or scenario-based assessment. Lesson Practice Exercises also include “show me” videos for learner reference. You have the option to enable/disable this feature.</li> <li>• <b>Lesson Practice Questions</b> - End of lesson question-based assessment. Lesson Practice Questions also include “show solution” for learner reference. You have the option to enable/disable this feature.</li> </ul>
<b>Study Guides</b>	<p>Printable and customizable study guides mapped to lesson topics and exam objectives are provided in three formats.</p> <ul style="list-style-type: none"> <li>• <b>Complete</b> - This version includes the topic and the explanation.</li> <li>• <b>Fill-In Topic</b> - Learners can fill in the topics as they learn or as a review.</li> <li>• <b>Fill-In Explanation</b> - This allows learners to complete the explanation of each lesson topic in their own words and images.</li> </ul>
<b>Unit Learning Plan</b>	<p>Customizable unit learning plan outlining the objectives and topics covered, essential questions, learning targets, methods and materials, extension activities, formative and summative assessments, mapping to STEAM, Work Readiness, 5 C’s, and Bloom’s Taxonomy Levels.</p>
<b>Lesson PowerPoint</b>	<p>A PowerPoint Presentation that complements the lesson. Each lesson topic is included in the presentation as well as comprehensive speaker notes.</p>
<b>Unplugged Activities</b>	<p>A variety of activities and necessary resources to get learners off the computers while still reinforcing unit learning objectives.</p>
<b>Unit Key Terms</b>	<p>A comprehensive list of key terms throughout the unit.</p>
<b>Unit Overview</b>	<p>A spreadsheet containing the overview of the flow of the unit that includes lesson topics, certification objectives mapping, and approximate timings for self-paced and instructor-led scenarios.</p>

# Entrepreneurship and Small Business

## Enter Dates

### Instructor Information

#### Instructor

add text

#### Email

add text

#### Office Location & Hours

add text

### General Information

#### Description

Whether you're an aspiring entrepreneur or seeking to enhance your small business knowledge, this course will cover essential topics such as business planning, marketing, financial management, and ethics. Through engaging content, real-world scenarios, and hands-on activities, you will develop the expertise to navigate the entrepreneurial landscape and tackle the challenges of running a successful small business.

This course is structured to prepare you for the Certiport Entrepreneurship and Small Business (ESB) certification exam. Upon successful completion, you'll gain a valuable credential demonstrating your proficiency in entrepreneurship and small business management, setting you on a path to entrepreneurial success and growth.

#### Course Objectives

After completing this course, you will understand the following:

- ↗ Foundational Concepts
- ↗ Successful Entrepreneurs
- ↗ Business Opportunities
- ↗ Business Plans
- ↗ Intellectual Property
- ↗ Market Research
- ↗ Marketing Processes
- ↗ Sales Strategies
- ↗ Market Research
- ↗ Marketing Processes
- ↗ Sales Strategies
- ↗ Analyze Business Financials
- ↗ Analyze Funding Options

## Expectations and Goals

Upon completion of this course, learners are expected to complete the Entrepreneurship and Small Business Certification Exam. The Entrepreneurship and Small Business is a certification from Certiport, sponsored by Intuit and the Network for Teaching Entrepreneurship, that ensures tomorrow's leaders are prepared with the toolkit they need to get ahead in today's competitive landscape. To learn more about the Microsoft Certified Fundamentals program visit: [Entrepreneurship and Small Business Certification: Certiport \(pearsonvue.com\)](https://www.pearsonvue.com/certification/entrepreneurship-and-small-business). Certifications provide significant advantages to professional and job candidates. These include:

- Higher grade point average for certified high school students
- Higher graduation rates for certified high school students
- Increased post-secondary enrollment
- Reduced dropout rates

Additional information: [The value of certification](#)

## Course Materials

### Required materials

- XperienceED account
- Computing Device
- Internet Connection

### Optional materials

- Headset

## Schedule

### Dates

### Unit

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Unit 1: Entrepreneurial and Small Business Concepts

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Unit 2: Marketing and Sales

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Unit 3: Production and Distribution

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Unit 4: Business Financials

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## Course Structure

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Each unit contains lessons. The lessons are introduced by lesson topics where you can learn through doing or learn through study materials (eBook, QuickDecks or QuickClips). Each lesson concludes with a Practice Exercise that incorporates the tasks you have learned throughout the lesson. Once you have completed the lessons in the unit, you are assessed through a question-based Objective Assessment and a Create Project.

## **Weights and Grading**

add text

## **Additional information and resources**

### **Add subheading**

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# Entrepreneurship and Small Business

## Unit Guide

Unit	Lesson	Lesson Topic	Self Study	Instructor Led	Obj #	Objective Description
<b>Unit 1: Entrepreneurial and Small Business Concepts</b>						
Unit 1: Overview						
		Overview	2	5		
		Key Terms	3	5		
		<b>Total Time</b>	<b>5</b>	<b>10</b>		
Lesson 1: Foundational Concepts						
		Lesson Objectives	5	15		
		Entrepreneurship	5	15	1.1.1	Define entrepreneurship and small business
		Small Businesses	5	15	1.1.1	Define entrepreneurship and small business
		Types of Businesses	5	15	1.1.2	Classify types of businesses
		Legal Structures	5	15	1.1.3	Identify various legal structures of a business
		Roles and Responsibilities	5	15	1.1.4	Identify roles and responsibilities within a business
		Business Compensation	5	15	1.1.5	Define business compensation structures
		Business Life Cycle	5	15	1.1.6	Define business life cycle stages
		Design Thinking	5	15	1.1.7	Identify elements of the design thinking process
		Practice Exercise	10	10		
		Practice Questions	10	10		
		<b>Total Time</b>	<b>65</b>	<b>155</b>		
Lesson 2: Successful Entrepreneurs						
		Lesson Objectives	5	5		
		Entrepreneurial Mindset	5	15	1.2.1	Identify characteristics of an entrepreneurial mindset
		Risks-Benefits-Opportunities	5	15	1.2.2	Identify the risks, benefits, opportunities, and drawbacks of being an entrepreneur
		Practice Exercise	10	10		
		Practice Questions	10	10		
		<b>Total Time</b>	<b>35</b>	<b>55</b>		
Lesson 3: Business Opportunitites						
		Lesson Objectives	5	5		
		Characteristics	5	15	1.3.1	Identify characteristics of a business opportunity
		Viability	5	15	1.3.2	Determine the viability of a business opportunity
		Practice Exercise	10	10		
		Practice Questions	10	10		
		<b>Total Time</b>	<b>35</b>	<b>55</b>		
Lesson 4: Business Plans						
		Lesson Objectives	5	5		
		Business Plan	5	15	1.4.1	Identify the purposes and value of a business plan, pitch deck, and lean canvas
		Business Plan Components	5	15	1.4.2	Define the key components of a business plan and pitch deck
		Pitch Deck	5	15	1.4.1	Identify the purposes and value of a business plan, pitch deck, and lean canvas
		Pitch Deck Components	5	15	1.4.2	Define the key components of a business plan and pitch deck
		Lean Canvas	5	15	1.4.1	Identify the purposes and value of a business plan, pitch deck, and lean canvas
		Practice Exercise	10	10		
		Practice Questions	10	10		
		<b>Total Time</b>	<b>50</b>	<b>100</b>		
Lesson 5: Intellectual Property						
		Lesson Objectives	5	5		
		Understand Intellectual Property	5	15	1.5.1	Differentiate between trademarks, trade secrets, copyrights, and patents
		Value-Risks-Guidelines	5	15	1.5.2	Identify the value, risks, and guidelines associated with using licensed materials
		Practice Exercise	10	10		
		Practice Questions	10	10		
		<b>Total Time</b>	<b>35</b>	<b>55</b>		
Unit 1: Summary						
		Summary	2	5		
		Key Terms	3	5		
		<b>Total Time</b>	<b>5</b>	<b>10</b>		
Unit 1: Assessments						
		Objective Assessment	40	40		
		Create Project	40	40		
		<b>Total Time</b>	<b>80</b>	<b>80</b>		
<b>Total Time to Complete Unit</b>						
		Minutes	310	520		
		Hours	5	9		

<h1>Entrepreneurship and Small Business</h1>		
<h2>Unit 1: Entrepreneurial and Small Business Concepts</h2>		
<b>Instructor:</b>	<b>Class:</b>	<b>Duration: 5-9 Hours</b>
<p><b>Unit Objectives:</b></p> <ul style="list-style-type: none"> <li>• Understand and explain the fundamental concepts and principles of entrepreneurship, including innovation, risk-taking, opportunity recognition, and value creation.</li> <li>• Identify and examine the key characteristics, traits, and skills exhibited by successful entrepreneurs.</li> <li>• Recognize and evaluate business opportunities by analyzing market trends, consumer needs, and competitive landscapes.</li> <li>• Understand the purpose and importance of business plans in the entrepreneurial process.</li> <li>• Define and differentiate between different forms of intellectual property, such as trademarks, copyrights, patents, and trade secrets.</li> </ul>		
<p><b>Essential Questions:</b></p> <ul style="list-style-type: none"> <li>• How do innovation, risk-taking, and value creation contribute to entrepreneurial success?</li> <li>• What characteristics and skills are commonly found in successful entrepreneurs?</li> <li>• What factors contribute to the viability and potential of a business opportunity?</li> <li>• How does a well-crafted business plan contribute to the success and growth of a venture?</li> <li>• What steps should entrepreneurs take to protect and manage their intellectual property rights?</li> </ul>		
<p><b>Learning Targets:</b></p> <p>I will understand the characteristics and skills of successful entrepreneurs.            So I can develop and enhance my own entrepreneurial mindset and capabilities.            I know I succeeded when I can critically analyze real-world business opportunities, develop comprehensive and well-structured business plans, and effectively articulate the value proposition and significance of intellectual property in an entrepreneurial context.</p>		
<p><b>Methods and Materials:</b></p> <ul style="list-style-type: none"> <li>• Lectures</li> <li>• Reading</li> <li>• Videos</li> <li>• Hand-on activities</li> <li>• Creating</li> <li>• Analyzing</li> <li>• Discussing</li> <li>• Teaching</li> </ul>	<p><b>Formative Assessments:</b></p> <ul style="list-style-type: none"> <li>• Learn Tasks</li> <li>• Practice Questions</li> <li>• Practice Exercises</li> </ul>	<p><b>Summative Assessments:</b></p> <ul style="list-style-type: none"> <li>• Objective Assessment</li> <li>• Create Project</li> </ul>

<p><b>Work Readiness</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Communication</li> <li><input checked="" type="checkbox"/> Problem-solving</li> <li><input checked="" type="checkbox"/> Teamwork</li> <li><input checked="" type="checkbox"/> Work ethic</li> <li><input checked="" type="checkbox"/> Empathy</li> <li><input checked="" type="checkbox"/> Conflict resolution</li> <li><input checked="" type="checkbox"/> Active listening</li> <li><input checked="" type="checkbox"/> Time management</li> <li><input checked="" type="checkbox"/> Adaptability</li> <li><input checked="" type="checkbox"/> Reading</li> <li><input type="checkbox"/> Mathematics</li> </ul>	<p><b>5 C's</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Critical Thinking</li> <li><input checked="" type="checkbox"/> Creativity</li> <li><input checked="" type="checkbox"/> Communication</li> <li><input checked="" type="checkbox"/> Collaboration</li> <li><input checked="" type="checkbox"/> Citizenship</li> </ul>	<p><b>Blooms Level</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Remembering</li> <li><input checked="" type="checkbox"/> Understanding</li> <li><input checked="" type="checkbox"/> Applying</li> <li><input checked="" type="checkbox"/> Analyzing</li> <li><input checked="" type="checkbox"/> Evaluating</li> <li><input checked="" type="checkbox"/> Creating</li> </ul>
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<h2>Learning Activities</h2>		
Lesson	Time Allowed	Content
Lesson 1: Foundational Concepts	65-155 minutes	<ul style="list-style-type: none"> <li>• Entrepreneurship</li> <li>• Small Businesses</li> <li>• Types of Businesses</li> <li>• Legal Structures</li> <li>• Roles and Responsibilities</li> <li>• Business Compensation</li> <li>• Business Life Cycle</li> <li>• Design Thinking</li> </ul>
Lesson 2: Successful Entrepreneurs	35-55 minutes	<ul style="list-style-type: none"> <li>• Entrepreneurial Mindset</li> <li>• Risks-Benefits-Opportunities</li> </ul>
Lesson 3: Business Opportunities	35-55 Minutes	<ul style="list-style-type: none"> <li>• Characteristics</li> <li>• Viability</li> </ul>
Lesson 4: Business Plans	50-100 Minutes	<ul style="list-style-type: none"> <li>• Business Plan</li> <li>• Business Plan Components</li> <li>• Pitch Deck</li> <li>• Pitch Deck Components</li> <li>• Lean Canvas</li> </ul>
Lesson 5: Intellectual Property	35-55 Minutes	<ul style="list-style-type: none"> <li>• Understand Intellectual Property</li> <li>• Value-Risks-Guidelines</li> </ul>

# Entrepreneurship and Small Business Unit 1 Key Terms

Term	Definition
<b>Entrepreneurship</b>	The act of starting and running your own business, where you turn creative ideas into real products or services.
<b>Entrepreneur</b>	A person who starts and runs their own business, taking risks and coming up with innovative ways to solve problems.
<b>Small Businesses</b>	They create jobs, new ideas, and products and support the local community.
<b>Economy</b>	The system of production, distribution, and consumption of goods and services within a region or country.
<b>Sole Proprietorship</b>	A business owned and operated by a single individual, who is responsible for all decisions and debts.
<b>Partnership</b>	A business owned by two or more individuals who share responsibilities, profits, and debts.
<b>Corporation</b>	A legal entity that exists separately from its owners, with a more complex structure involving shareholders and a board of directors.
<b>Limited Liability Company (LLC)</b>	It combines features of a corporation and a partnership. Owners, called members, are protected from personal liability. LLCs choose how to be taxed and can have one or more owners.
<b>Legal Entity</b>	The legal responsibility for debts or obligations.
<b>Managers</b>	Supervise employees and ensure things get done. They coordinate tasks and make sure everyone works together towards the same goals, and help keep the business organized and running smoothly.
<b>Employees</b>	The people who work for the business and have specific jobs. They contribute to day-to-day operations by doing their tasks and responsibilities.
<b>Support Staff</b>	Offer assistance and expertise in specific areas.
<b>Compensation</b>	The payment or benefits that individuals receive for their work or contributions to a business.
<b>Salary</b>	A fixed amount of money paid to an employee regularly, regardless of the number of hours worked.
<b>Wages</b>	Payments made to employees based on the number of hours worked.
<b>Commissions</b>	Additional payments given to employees based on the sales they generate.
<b>Bonuses</b>	Extra rewards or incentives given to employees for achieving specific goals or exceptional performance.

<b>Profit-Sharing</b>	A system where employees receive a portion of the company's profits in addition to their regular compensation.
<b>Business Life Cycle</b>	The different stages that a business goes through, including startup, growth, maturity, and decline.
<b>Design Thinking</b>	A problem-solving approach that focuses on understanding users' needs, generating ideas, creating prototypes, and testing solutions.
<b>Prototype</b>	A model or example of a proposed solution used for testing and improvement.
<b>Entrepreneurial mindset</b>	A special way of thinking that helps people succeed in the business world by being innovative and adaptable.
<b>Risks</b>	The uncertainties and potential downsides of starting a business.
<b>Opportunities</b>	Chances to do well in the business world.
<b>Market Demand</b>	The desire or need for a product or service among consumers.
<b>Competitive Advantage</b>	Something that makes a business stand out and gives it an edge over its competitors.
<b>Scalability</b>	The potential for a business to grow and expand its operations.
<b>Financial Viability</b>	The ability of a business opportunity to generate profits and be sustainable in the long term.
<b>Financial Feasibility</b>	The costs of starting and running the business.
<b>Business Plan</b>	A detailed document that explains a business idea, goals, and how it will make money. It's like a roadmap for the business.
<b>Executive Summary</b>	A short summary of the entire business plan that highlights the main points and goals.
<b>Market Analysis</b>	Studying the target market, customers, competition, and industry trends to understand the business's potential.
<b>Market Trends</b>	Patterns or changes in the market that can affect the business.
<b>Financial Projections</b>	Predictions about how the business will do financially, like how much money it will make and spend.
<b>Pitch Deck</b>	A short presentation that explains a business idea to investors or partners. It focuses on the important parts and aims to get people interested.
<b>Unique Value</b>	The special features or benefits that make the business stand out from competitors.
<b>Business Model</b>	The strategy the business uses to make money and be successful.
<b>Marketing and Sales</b>	Plans and strategies to attract customers and sell the product or service.
<b>Lean Canvas</b>	A simple tool that helps entrepreneurs describe and improve their business idea. It shows things like who the customers are, how the business makes money, and the costs involved.

# Unit 1: Unplugged Activities

## Instructor Guide

### Instructions

Below are a variety of offline activities to choose from to support learning in Unit 1. Choose activities to enhance learning in the classroom.

#### Activity 1: Word Search

**With Words** - Use this word search to reinforce the key terms in Unit 1. An answer key is provided.

**With Clues** - Use this word search to challenge learners to find key terms in Unit 1 using clues. An answer key is provided.

#### Activity 2: Crossword Puzzle

Solve the crossword puzzle by reading clues and filling in the answer with key terms from Unit 1. A solution key is provided.

#### Activity 3: Entrepreneurship Guess Who Game

The objective of this activity is to help participants identify and understand the foundational concepts of entrepreneurship and small business ownership through a fun and interactive game.

#### Activity 4: Business Concept Sort

The objective of this activity is to help participants understand the purposes and value of a business plan, pitch deck, and lean canvas through a sorting activity.



1

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# Lesson 1: Analyze Business Financials

## Unit 4: Business Financials

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2

## Set Selling Price

- Know cost to manufacture product, service
- Set profit margin
- Examine competitor prices
- Factor in value



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## Set Selling Price

- Adjust price according to demand
- Experiment with price point, gather feedback
- Account for shipping, packaging, marketing expenses
- Ensure sustainable profit



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## Income Sheets

- Company income over a set period of time
- Lists expenses like salaries, materials, bills

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## Balance Sheets

- List of funds owed and owned



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## Unit 4 Lesson 1 Study Guide Complete

Topic	Explanation
<b>Selling Price</b>	
Selling Price	Charge customers pay for product or services.
Steps to Set Price	<ul style="list-style-type: none"> <li>• Know cost to manufacture product, service.</li> <li>• Set profit margin.</li> <li>• Examine competitor prices.</li> <li>• Factor in value.</li> </ul>
Steps to Set Price	<ul style="list-style-type: none"> <li>• Adjust price according to demand.</li> <li>• Experiment with price point, gather feedback.</li> <li>• Account for shipping, packaging, marketing expenses.</li> <li>• Ensure sustainable profit.</li> </ul>
<b>Income Sheets</b>	
Income Sheet	<ul style="list-style-type: none"> <li>• Company income over a set period of time.</li> <li>• Lists expenses like salaries, materials, bills.</li> </ul>
<b>Balance Sheets</b>	
Balance Sheet	List of funds owed and owned.
<b>Fixed Costs</b>	
Fixed Costs	Essential, consistent expenses like rent, salaries, insurance, equipment depreciation.
<b>Variable Costs</b>	
Variable Costs	Varied, fluctuating expenses based on production or activity levels like materials, labor per hour, shipping costs.
<b>Cash Flow</b>	
Cash Flow	Money flow in and out of a business.
<b>Return on Investment</b>	
Return on Investment (ROI)	A method to measure how much is earned from investment compared to the money spent to produce it.
Measuring ROI	Measure quality of business decisions.
High ROI	Higher income than expense.
Low ROI	Higher expenses than income.

## Unit 4 Lesson 1 Learn the Skill Tasks

CP OD	OD Description	Lesson Topic	Assessment Details	Answer Key
4.1.1	Determine the selling price of a product service	Selling Price	You should decide how much extra _____ you want from each sale. Adjust your price based on _____. You should account for shipping, _____, and marketing expenses. Your price should let you make a _____ profit.	You should decide how much extra <b>profit</b> you want from each sale. Adjust your price based on <b>demand</b> You should account for shipping, <b>packaging</b> , and marketing expenses. Your price should let you make a <b>sustainable</b> profit.
4.1.2	Interpret basic financial statements such as income sheets and balance sheets	Income Sheets	An income sheet refers to the money a company has earned and spent during an unspecified period. a. True b. False	a. True <b>b. False</b> <b>Explanation:</b> Income sheets illustrate how much money the company earned from selling products and how much money the company spent on salaries and bills during a specific time.
4.1.2	Interpret basic financial statements such as income sheets and balance sheets	Balance Sheets	A balance sheet includes what a company owns and what it owes to others. It includes: a. List of earned money b. List of everything c. List of spent money	a. List of earned money <b>b. List of everything</b> c. List of spent money <b>Explanation:</b> In a company, a balance sheet includes a list of everything it owns and everything what it owes to others.
4.1.3	Differentiate between fixed and variable costs	Fixed Costs	Consistent expenses in your business help with creating business plans and budget plans. a. True b. False	<b>a. True</b> b. False <b>Explanation:</b> Fixed costs are expenses that stay consistent in your business and help in creating business and budget plans.
4.1.3	Differentiate between fixed and variable costs	Variable Costs	In your business, _____ are expenses that fluctuate based on production. Understanding variable costs is important for pricing decisions and managing _____	In your business, <b>variable costs</b> are expenses that fluctuate based on production. Understanding variable costs is important for pricing decisions and managing <b>expenses</b> .
4.1.4	Analyze a company's cash flow	Cash Flow	When more money is coming into your business than going out, it is called positive cash flow. a. True b. False	<b>a. True</b> b. False
4.1.5	Calculate the ROI of a product or service	Return on Investment	Return On Investment is a method to measure: a. How much you produce b. How much you spend	a. How much you produce b. How much you spend c. <b>How much you earn from an investment compared to the</b>

## Unit 4 Lesson 1 Practice Questions

Scenario #1	Questions	Answers
<p>Jenny, a local baker, is planning to price her homemade cupcakes for a school fundraiser. To decide on the right price, she first figures out how much it costs to make each cupcake, including ingredients like flour, sugar, and frosting, as well as her time. She checks what other bakers charge in her area to stay competitive and considers the demand from her classmates. Jenny knows that setting the right price will help her sell her cupcakes and raise money for the school effectively.</p>	<p>What is the first step in setting the selling price for your product or service?</p> <ol style="list-style-type: none"> <li>Research your competitors' pricing</li> <li>Decide how much extra profit you want</li> <li>Know how much it costs to make your product</li> </ol>	<ol style="list-style-type: none"> <li>Research your competitors' pricing</li> <li>Decide how much extra profit you want</li> <li><b>Know how much it costs to make your product</b></li> </ol> <p><b>Explanation:</b> The scenario states that to decide on the right price, she first figures out how much it costs to make each cake.</p>
	<p>Setting the right price will help Jenny sell her cupcakes.</p> <ol style="list-style-type: none"> <li>True</li> <li>False</li> </ol>	<ol style="list-style-type: none"> <li><b>True</b></li> <li>False</li> </ol> <p><b>Explanation:</b> The scenario mentions that if Jenny sets the right price of her cupcakes, then she can sell her cupcakes.</p>
	<p>She checks what other _____ charge in her area to stay _____.</p>	<p>She checks what other <b>bakers</b> charge in her area to stay <b>competitive</b> .</p> <p><b>Explanation:</b> The scenario states that Jenny checks what other bakers charge in her area to stay competitive and considers the demand from her classmates.</p>
<p>Match the following terms with their correct explanations:</p> <ol style="list-style-type: none"> <li>Market research and demand</li> <li>Cupcake Cost Analysis</li> </ol> <ol style="list-style-type: none"> <li>Determine the cost of making each cupcake, including ingredients and her time.</li> <li>Checking competitors' prices and considering local demand.</li> </ol>	<ol style="list-style-type: none"> <li><b>Market research and demand</b></li> <li>Checking competitors' prices and considering local demand.</li> </ol> <ol style="list-style-type: none"> <li><b>Cupcake cost analysis</b></li> <li>Determine the cost of making each cupcake, including ingredients and her time.</li> </ol>	

Scenario #2	Questions	Answers
<p>Alex, the owner of a small furniture business, is wrapping up the year by creating an annual income sheet. This sheet summarizes the money the business made and spent throughout the year. It displays the income from furniture sales and other services, like repairs, and lists expenses such as materials, employee salaries, rent, and utilities. The income sheet helps Alex understand the business's financial performance, make improvements, and plan.</p>	<p>What does an income sheet primarily illustrate for a business during a specific time frame, such as a year?</p> <ol style="list-style-type: none"> <li>The company's long-term financial goals</li> <li>The number of employees in the company</li> <li>How much money the company made and spent</li> </ol>	<ol style="list-style-type: none"> <li>The company's long-term financial goals</li> <li>The number of employees in the company</li> <li><b>How much money the company made and spent</b></li> </ol> <p><b>Explanation:</b> The scenario mentions that the income sheets summarize the money the business made and spent throughout the year.</p>
	<p>The income sheets help to understand the business's financial performance.</p> <ol style="list-style-type: none"> <li>True</li> <li>False</li> </ol>	<ol style="list-style-type: none"> <li><b>True</b></li> <li>False</li> </ol> <p><b>Explanation:</b> The scenario states that the income sheets help to understand the business's financial performance, make improvements, and plan.</p>
	<p>It displays the _____ from furniture sales and other services like repairs and list _____.</p>	<p>It displays the <b>income</b> from furniture sales and other services like repairs and lists <b>expenses</b> .</p> <p><b>Explanation:</b> The scenario mentions that the income sheets display the income from furniture sales and other services like repairs and lists expenses such as materials, employee salaries, rent, and utilities.</p>
	<p>Match the following terms to their correct explanations:</p> <ol style="list-style-type: none"> <li>Financial Analysis and Planning</li> <li>Annual Income and Expenses Overview</li> </ol> <ol style="list-style-type: none"> <li>An overview of the money the business earned and spent during the year</li> <li>Analyze the business's financial performance, identify areas for improvement, and plan</li> </ol>	<ol style="list-style-type: none"> <li><b>Annual Income and Expenses Overview</b></li> <li><b>Financial Analysis and Planning</b></li> </ol> <ol style="list-style-type: none"> <li>An overview of the money the business earned and spent during the year</li> <li>Analyze the business's financial performance, identify areas for improvement, and plan</li> </ol>

# Unit 4 Lesson 1 Practice Exercise

<b>Exercise #1: Key Ingredients for Passionate Entrepreneurs</b>			
<p>As a passionate entrepreneur, recently you have started a new clothing business. You are familiar with various materials you need to start a business with an in-depth knowledge of distribution channels that you need to utilize. To run a business effectively, you need to analyze business financials.</p>			
<p>Which factors do you consider when setting a price that balances customer value, competition, and your business's financial health?</p> <p>a. Understand production costs, determine profit, and consider the brand's reputation                      b. Examine competitors offering to measure price expectations                      c. Explore various strategies to increase profitability                      d. Offer similar products or services as competitors but at lower prices</p>			
<p>a. Understand production costs, determine profit, and consider the brand's reputation  <b>Correct!</b> You should know the cost of producing the product, decide you much profit you want to make from each sale, and consider your brand's reputation based on the selling prices.</p>	<p>b. Examine competitors offering to measure price expectations                      Unfortunately, examining competitors' offerings to measure price expectations is not helpful in setting a price balance.</p>	<p>c. Explore various strategies to increase profitability  <b>Incorrect.</b> After examining your competitors' selling strategies, you should explore ways to enhance your profits. However, these strategies do not help in setting a balanced price.</p>	<p>d. Offer similar products or services as competitors but at lower prices  <b>Incorrect.</b> Offering similar products and services at lower prices does not achieve a balance between customer value, competition, and a business's financial health.</p>
<b>Exercise #2: Mastering Financial Management</b>			
<p>After successfully determining your selling prices, you become familiar with income sheets and balance sheets. You identify fixed expenses that remain constant in your business and variable costs that fluctuate with your business operations. Also, you recognize the importance of monitoring and managing cash flow for financial stability and sound decision-making. To further enhance profitability, it's essential to know Return on Investment (ROI) strategies that allow you to earn more than your product production expenses.</p>			
<p>How can Return on Investment (ROI) be used by entrepreneurs to assess the viability of your choices and investments?</p> <p>a. It is used to predict product cost                      b. It is used to measure the profitability or efficiency of an investment                      c. It is used to identify competitors                      d. It is simply used for the comparison of products</p>			
<p>a. It is used to predict product cost  <b>Incorrect.</b> It is used to predict future trends, not to predict product costs.</p>	<p>b. It is used to measure the profitability or efficiency of an investment  <b>Correct!</b> ROI is a method to measure how much you earn from an investment compared to the money you spend to produce it.</p>	<p>c. It is used to identify competitors  <b>Incorrect.</b> ROI is used to identify future trends, not competitor companies.</p>	<p>d. It is simply used for the comparison of products  <b>Incorrect.</b> ROI is used to measure the profitability of an investment rather than for the comparison of products.</p>
<p>Congratulations on completing the three chapters of the interactive story! Your knowledge of business financials has been enhanced. Well done!</p>			