



# GEORGIA

PEACH STATE PATHWAYS

Career, Technical, & Agricultural Education

## MARKETING SALES AND SERVICE

**PATHWAY:** Marketing & Management

**COURSE:** Entrepreneurship: Building a Business

**UNIT 2:** Entrepreneurial Risk



## INTRODUCTION

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**Annotation:**

The student will gain an understanding of the risk involved in starting and running a business and how to deal with risk.

**Grade(s):**

x	9 <sup>th</sup>
x	10 <sup>th</sup>
x	11 <sup>th</sup>
x	12 <sup>th</sup>

**Time:**

3 days

**Author:**

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**Additional Author(s):**

Revision and Edit: Krystin Glover

**Students with Disabilities:**

For students with disabilities, the instructor should refer to the student's IEP to be sure that the accommodations specified are being provided. Instructors should also familiarize themselves with the provisions of Behavior Intervention Plans that may be part of a student's IEP. Frequent consultation with a student's special education instructor will be beneficial in providing appropriate differentiation.



## FOCUS STANDARDS

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### GPS Focus Standards:

**MKT-EN-2 Explain the fundamental concepts of business ownership.**

- f. Discuss the types of risks that businesses encounter.
- g. Explain how businesses deal with the various types of risks.

### GPS Academic Standards:

ELA12W1. The student produces writing that establishes an appropriate organizational structure, sets a context and engages the reader, maintains a coherent focus throughout, and signals a satisfying closure.

ELA12W3. The student uses research and technology to support writing.

### National / Local Standards / Industry / ISTE:



## UNDERSTANDINGS & GOALS

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### Enduring Understandings:

- Students will understand that business owners need to protect themselves against the risks they face.
- Students will learn that it is important for entrepreneurs to recognize potential risks they face and prepare effective strategies to deal with them. It is also useful for entrepreneurs to design “contingency plans”. These contingency plans show that the entrepreneur is sensitive to important risks and is prepared to handle risks as they occur.

### Essential Questions:

- How do businesses combat risks?
- How do you recognize potential risks?
- Why is having a contingency plan useful?

### Knowledge from this Unit:

- Entrepreneurial business risks

### Skills from this Unit:

- Students will be able to identify types of risks that businesses face.
- Students will be able to discuss dangers that entrepreneurs may encounter.
- Students will be able to use technology to research entrepreneurial risks.



# ASSESSMENT(S)

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## Assessment Method Type:

- ☐ Pre-test
- ☐ Objective assessment - multiple-choice, true- false, etc.
  - ☐ Quizzes/Tests
  - ☐ Unit test
- ☐ Group project
- ☐ Individual project
- ☒ Self-assessment - May include practice quizzes, games, simulations, checklists, etc.
  - ☐ Self-check rubrics
  - ☐ Self-check during writing/planning process
  - ☐ Journal reflections on concepts, personal experiences and impact on one's life
  - ☐ Reflect on evaluations of work from teachers, business partners, and competition judges
  - ☐ Academic prompts
  - ☐ Practice quizzes/tests
- ☐ Subjective assessment/Informal observations
  - ☐ Essay tests
  - ☐ Observe students working with partners
  - ☐ Observe students role playing
- ☒ Peer-assessment
  - ☐ Peer editing & commentary of products/projects/presentations using rubrics
  - ☐ Peer editing and/or critiquing
- ☒ Dialogue and Discussion
  - ☐ Student/teacher conferences
  - ☐ Partner and small group discussions
  - ☐ Whole group discussions
  - ☐ Interaction with/feedback from community members/speakers and business partners
- ☒ Constructed Responses
  - ☐ Chart good reading/writing/listening/speaking habits
  - ☐ Application of skills to real-life situations/scenarios
- ☐ Post-test

## Assessment(s) Title:

- Risk Control PowerPoint Project Rubric

## Assessment(s) Description/Directions:

- See rubric

## Attachments for Assessment(s):

- Risk Control PowerPoint Project Word document
- Risk Control PowerPoint Project Rubric PDF



# LEARNING EXPERIENCES

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## Sequence of Instruction

1. Identify the Standards. Standards should be posted in the classroom for each lesson.
  - MKT-EN-2 Explain the fundamental concepts of business ownership.
    - f. Discuss the types of risks that businesses encounter.
    - g. Explain how businesses deal with the various types of risks.
2. Review Essential Questions.
  - How do businesses combat risks?
  - How do you recognize potential risks?
  - Why is having a contingency plan useful?
3. Identify and review the unit vocabulary.
  - Risk: the possibility of damage, injury, or loss
  - Markets: Some of the risks that almost all businesses face involve competition, price changes, style changes, competition from new products, and changes from fluctuating economic conditions.
  - Accidents: Businesses also face risks beyond these market and economic shifts. For instance, a merchandise shipment of laptops may be destroyed in transit. A warehouse may burn down and large amounts of expensive inventory may be lost. Events like these threaten the security of a business. They cost money, and they may cause a business to fail. First, entrepreneurs must be able to identify all the possible risks they face, and then decide upon preventive measures to eliminate or reduce the impact of the risks.
  - Speculative risk: the uncertainty as to whether an activity will result in a gain or a loss. Risks, such as building a plant that turns out to have the wrong capacity or keeping an inventory level that turns out to be too high or too low, are speculative risks. Speculative risk is unavoidable and is inherent in the nature of the private enterprise system.
  - Pure risk: uncertainty as to whether some unpredictable event that can result in loss will occur. *Pure risk can only result in loss, never in gain.* This kind of risk consists of hazards such as a fire or a hurricane, death of key employees, or customer injuries on the premises of the business. Pure risk exists where possibility of loss is present, but the extent of the possible loss is unknown. Pure risk is different from speculative risk because speculative risk carries the possibility of gain as well as loss.
4. Pose this question to the class: HOW DO ENTREPRENEURS MAKE PLANS TO REDUCE RISK?
5. Allow students to brainstorm and then ask individual students to write their answers on the board. Typical answers may include:
  - Effective management
  - Careful control of financing, product development activities, product, marketing, distribution and other management concerns.
  - Keeping fixed assets to a minimum or by renting facilities rather than using personal funds to purchase land and buildings.
  - Analyzing current and future economic and market conditions.
  - Considering the consequences of alternative actions.
  - Making reasonable decisions in response to conditions as they develop and change.

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6. Hand out the Risk Control PowerPoint Project. This project will take approximately 2 days in class to complete.

#### Attachments for Learning Experiences:

- Risk Control PowerPoint Project Word document
- Risk Control PowerPoint Project Rubric PDF

#### Notes & Reflections:



## CULMINATING PERFORMANCE TASK

#### Culminating Unit Performance Task Title:

- Risk Control PowerPoint Project

#### Culminating Unit Performance Task Description/Directions/Differentiated Instruction:

- See attached student directions

#### Attachments for Culminating Performance Task:

- Risk Control PowerPoint Project Word document
- Risk Control PowerPoint Project Rubric PDF



## UNIT RESOURCES

#### Web Resources:

#### Attachment(s):

#### Materials & Equipment:

#### What 21st Century Technology was used in this unit:

<input checked="" type="checkbox"/>	Slide Show Software	<input type="checkbox"/>	Graphing Software	<input type="checkbox"/>	Audio File(s)
<input type="checkbox"/>	Interactive Whiteboard	<input type="checkbox"/>	Calculator	<input type="checkbox"/>	Graphic Organizer
<input type="checkbox"/>	Student Response System	<input checked="" type="checkbox"/>	Desktop Publishing	<input type="checkbox"/>	Image File(s)
<input type="checkbox"/>	Web Design Software	<input type="checkbox"/>	Blog	<input type="checkbox"/>	Video
<input type="checkbox"/>	Animation Software	<input type="checkbox"/>	Wiki	<input type="checkbox"/>	Electronic Game or Puzzle Maker
<input type="checkbox"/>	Email	<input type="checkbox"/>	Website		