



# GEORGIA

PEACH STATE PATHWAYS

Career, Technical, & Agricultural Education

## MARKETING SALES AND SERVICE

**PATHWAY:** Marketing & Management

**COURSE:** Entrepreneurship: Building a Business

**UNIT 7:** Financial Elements of a Business Plan



## INTRODUCTION

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### Annotation:

In this unit students will understand the terminology associated with financial reports, explain income statements and other financial reports, learn to calculate a variety of report equations and problems, and identify tax liabilities.

### Grade(s):

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

### Time:

9 days

### Author:

Original Authors: Yvetta Churchill and Krystin Glover  
Revision and Edit: Krystin Glover

### Notes to the Teacher:

There are several activities to be copied for student use. Notes (with the exception of two topics) are included in this lesson in a Word document, which can be made into a PowerPoint for individual use.

### 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-7 Understand the processes, strategies, and systems needed to guide the financial organization of an entrepreneurial entity.**

- a. Identify fixed and variable costs for start up and maintenance of the business.
- b. Discuss the terms associated with financial reports.
- c. List and describe the elements of a tentative budget for the business including an income statement, balance sheet, and cash flow.
- d. Identify tax liabilities.

### 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.

MM3A3. Students will solve a variety of equations and inequalities.

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



## UNDERSTANDINGS & GOALS

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### Enduring Understandings:

- Students should obtain a basic understanding of financial statement terms and how they relate to business.
- Students should understand how financial statement analysis involves a comparison of the company's performance with that of other companies in the same industry and an evaluation of trends in the company's position over time.
- Students will be able to determine the breakeven point through breakeven analysis.
- Students will learn that an income statement reports on the source of revenue and the amount of expenses for a specific period of time.
- Students will differentiate between the various types of tax liabilities

### Essential Questions:

- Why is understanding financial management a main key to being successful in business?
- Why do companies use comparisons of performance to one another (within the same industry) and what does this accomplish?
- Why should you have a grasp on what your expenses are relative to your revenue?
- What are tax liabilities?

### Knowledge from this Unit:

- Students will develop an overview of financial terms and reports.

### Skills from this Unit:

- Students will evaluate calculations according to several types of reports.
- Students will be able to identify various tax liabilities.



## 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:

- Financial Statements Puzzle
- Analysis of financial Statements Activity
- Breaking Even Activity
- Interest Activity
- Income Statement Activity
- Tax Laws and Liabilities Activity

### Assessment(s) Description/Directions:

- Financial Statements:  
Teacher will present the Financial Statement Terms to Know Vocabulary List. Teacher and students will discuss the information provided on the Vocabulary List. Students will complete the puzzles and will discuss answers.
- Analysis of Financial Statements:  
Teacher will present an introductory PowerPoint presentation on the analysis of financial statements. Teacher and students will discuss the information provided in the PowerPoint. Students will take a short quiz. Teacher and students will discuss the quiz and review their chosen answers.
- Break Even:  
Distribute the Breaking Even Activity and Chart Analysis. Tell the students that they have been hired as an accountant for the Flower Garden Company. The owner, Daisy Bloom, has asked them to assist her in determining how many weed whackers does she needs to sell in order to break even if the price is set at \$14.00. Utilizing the Breakeven Analysis Worksheet, Daisy Bloom must determine the number of units she can sell at a set price of \$14.00 to break even. Further calculate other possible prices to determine the relationships between prices, costs and demand.
- Interest:  
You are an entrepreneur of a salon and spa and you and your business partner want to expand the salon and spa to include a pool. You and your partner must decide which loan will best meet your needs.
- Income Statements:  
As the marketing manager of the Blue Jean Company, you have been asked to determine:
  - Gross Sales
  - Total Sales Returns
  - Net Purchases
  - Net Cost of Products Sold
  - Transportation Expense
  - Total Operating Expensesfor the 6-month period ending June 30, 2005 by completing the attached Income Statement worksheet.

### Attachments for Assessment(s):

- Financial Statements Puzzle Key
- Analysis of Financial Statements Key
- Breaking Even Activity Key
- Interest Activity Key
- Income Statement Activity Key



## 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-7 Understand the processes, strategies, and systems needed to guide the financial organization of an entrepreneurial entity.
    - a. Identify fixed and variable costs for start up and maintenance of the business.
    - b. Discuss the terms associated with financial reports.

- c. List and describe the elements of a tentative budget for the business including an income statement, balance sheet, and cash flow.
    - d. Identify tax liabilities.
  - 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.
  - MM3A3. Students will solve a variety of equations and inequalities.
2. Review Essential Questions.
- Why is understanding financial management a main key to being successful in business?
  - Why do companies use comparisons of performance to one another (within the same industry) and what does this accomplish?
  - Why should you have a grasp on what your expenses are relative to your revenue?
  - What are tax liabilities?
3. Identify and review the unit vocabulary.
4. Instruction
- Day 1: Financial Statements
  - Day 2: Analysis of Financial Statements
  - Day 3: Complete Analysis of Financial Statements and Review
  - Day 4: Breaking Even
  - Day 5: Interest
  - Day 6: Income Statement
  - Days 7-8: Tax Laws and Liabilities
  - Day 9: Review of all material

### **Attachments for Learning Experiences:**

- Analysis of Financial Statements Activity
- Analysis of Financial Statements Key
- Analysis of Financial Statements PowerPoint
- Breaking Even Activity
- Breaking Even Activity Key
- Breaking Even Analysis Chart
- Financial Statement Terms to Know Puzzles
- Financial Statement Terms to Know Vocabulary
- Income Statement Calculations Explanation
- Income Statements Calculations Activity
- Its Your Best Interest Activity Explanation
- Its Your Best Interest Answer Key
- Its Your Best Interest Worksheet

### **Notes & Reflections:**



# CULMINATING PERFORMANCE TASK

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## **Culminating Unit Performance Task Title:**

- Financial Statements to Know Vocabulary List
- Analysis of Financial Statements Activity
- Breaking Even Activity
- It's Your Best Interest Activity
- Income Statement Activity
- <http://www.irs.gov/app/understandingTaxes/index.jsp>

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

- See "Description/Details" section of lesson plan and activity sheet.
- For the website: Check to ensure that it works properly. This is a great site and is very user-friendly. There are a lot of activities on it for teachers and students, including teacher complete lesson plans. You can have students go through simulations, fill out tax forms, take quizzes and much more.

## **Attachments for Culminating Performance Task:**

- Analysis of Financial Statements Activity
- Analysis of Financial Statements Key
- Breaking Even Activity
- Breaking Even Activity Key
- Breaking Even Analysis Chart
- Financial Statement Terms to Know Puzzles
- Financial Statement Terms to Know Vocabulary
- Income Statement Calculations Explanation
- Income Statements Calculations Activity
- Its Your Best Interest Activity Explanation
- Its Your Best Interest Answer Key
- Its Your Best Interest Worksheet



# UNIT RESOURCES

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## **Web Resources:**

- <http://www.irs.gov/app/understandingTaxes/index.jsp>

## **Attachment(s):**

## **Materials & Equipment:**

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

<input checked="" type="checkbox"/>	Slide Show Software
<input type="checkbox"/>	Interactive Whiteboard
<input type="checkbox"/>	Student Response System
<input type="checkbox"/>	Web Design Software
<input type="checkbox"/>	Animation Software
<input type="checkbox"/>	Email

<input type="checkbox"/>	Graphing Software
<input type="checkbox"/>	Calculator
<input checked="" type="checkbox"/>	Desktop Publishing
<input type="checkbox"/>	Blog
<input type="checkbox"/>	Wiki
<input checked="" type="checkbox"/>	Website

<input type="checkbox"/>	Audio File(s)
<input type="checkbox"/>	Graphic Organizer
<input type="checkbox"/>	Image File(s)
<input type="checkbox"/>	Video
<input type="checkbox"/>	Electronic Game or Puzzle Maker