



# Micro-Enterprise Curriculum



Teacher  
Edition

## Home School Module 5: Finance

In the final module, students understand the financials behind business. The goal is to link math and business, showing students that even entrepreneurs need to have basic math skills in order to run a successful business. This is achieved by explaining a company's start-up costs, income, revenue, expenses, budgeting, forecasting, and profits modules.

Funded by



## General Home School Standards – Addressed in all modules

Conversation / Speaking / Presenting:	CC.K.SL.1, CC.K.SL.1.a, CC.2.SL.4, CC.3.SL.4, CC.3.SL.6, CC.4.SL.4, CC.5.SL.4, CC.5.SL.5, CC.K.SL.5, CC.K.SL.6, CC.K-12.SL.4, CC.K-12.SL.5, CC.6.SL.4, CC.7.SL.4, CC.7.SL.6, CC.7.SL.6, CC.8.SL.4, CC.8.SL.5, CC.8.SL.6, CC.11-12.L.1, CC.9-10.L.1, CC.9-10.SL.4, CC.9-10.SL.5, CC.9-10.SL.6
Writing, Speaking, Reading or Listening:	CC.2.L.3, CC.3.L.3, CC.3.R.I.1, CC.4.L.3, CC.5.L.1, CC.6.L.1, CC.6.L.3, CC.7.L.1, CC.7.L.3, CC.8.L.3, CC.11-12.SL.4, CC.11-12.SL.5, CC.11-12.SL.6
Reading:	CC.1.R.F.4, CC.1.R.F.4., CC.1.R.F.4.b, CC.2.R.F.4.a, CC.2.R.F.4.b, CC.3.R.F.4.a, CC.3.R.F.4.b, CC.3.R.F.4.c, CC.4.R.F.4, CC.4.R.F.4.a, CC.4.R.F.4.b, CC.5.R.F.3, CC.5.R.F.4, CC.K.R.I.10, CC.K-12.L.R.3, CC.K.R.L.10
Writing:	CC.1.L.2, CC.2.L.1, CC.2.L.2, CC.3.L.2, CC.3.L.2.a, CC.4.L.1, CC.4.L.3.a, CC.K-12.L.R.2, CC.K-12.R.R.1, CC.1.R.L.2, CC.1.R.L.3, CC.1.R.L.7, CC.1.R.L.9, CC.2.R.L.3, CC.3.R.L.2, CC.3.R.L.3, CC.3.R.L.6, CC.4.R.L.3, CC.K-12.R.R.2, CC.1.W.2, CC.1.W.3, CC.3.W.2.b, CC.3.W.2.c, CC.3.W.2.d, CC.3.W.3, CC.3.W.3.a, CC.3.W.3.b, CC.3.W.3.d, CC.4.W.2.a, CC.4.W.2.b, CC.4.W.2.e, CC.5.W.1, CC.5.W.1.d, CC.5.W.2, CC.5.W.2.a, CC.5.W.2.b, CC.5.W.2.c, CC.5.W.2.d, CC.5.W.2.e, CC.5.W.3, CC.K.W.5, CC.K.W.6, CC.K-12.W.R.1, CC.6.W.2, CC.6.W.2.a, CC.6.W.2.d, CC.6.W.2.e, CC.6.W.2.f, CC.6.W.3, CC.6.W.3.a, CC.7.W.1.d, CC.7.W.2.d, CC.7.W.2.e, CC.7.W.2.f, CC.7.W.4, CC.8.W.1, CC.8.W.1.d, CC.8.W.1.e, CC.8.W.2, CC.8.W.2.b, CC.8.W.2.c, CC.8.W.2.d, CC.8.W.2.e, CC.8.W.2.f, CC.8.W.3, CC.8.W.3.a, CC.8.W.3.b, CC.8.W.3.e, CC.8.W.4, CC.6.W.3.e, CC.7.L.1.b, CC.7.L.5.b, CC.8.L.1.b, CC.7.L.5.a, CC.11-12.W.1, CC.11-12.W.1.e, CC.11-12.W.2, CC.11-12.W.2.a, CC.11-12.W.2.b, CC.11-12.W.2.e, CC.11-12.W.3, CC.9-10.L.2, CC.9-10.L.2.c, CC.11-12.L.5.a, CC.9-10.L.5.a, CC.9-10.W.1, CC.9-10.W.1.d, CC.9-10.W.1.e, CC.9-10.W.2, CC.9-10.W.2.a, CC.9-10.W.2.b, CC.9-10.W.2.c, CC.9-10.W.2.d, CC.9-10.W.2.e, CC.9-10.W.2.f, CC.9-10.W.3, CC.9-10.W.3.b, CC.9-10.W.3.c, CC.9-10.W.3.e, CC.9-10.W.5
Comprehension:	CC.1.SL.1.c, CC.1.SL.2, CC.1.SL.3, CC.2.SL.1.c, CC.2.SL.3, CC.3.SL.1.b, CC.3.SL.1.c, CC.3.SL.1.d, CC.3.SL.2, CC.3.SL.3, CC.4.SL.1.a, CC.4.SL.1.b, CC.4.SL.1.c, CC.4.SL.1.d, CC.4.SL.2, CC.4.SL.3, CC.5.SL.1.c, CC.5.SL.1.d, CC.5.SL.2, CC.5.SL.3, CC.K.SL.3, CC.K-12.SL.1, CC.K-12.SL.2, CC.K-12.SL.3, CC.6.SL.1, CC.6.SL.1.a, CC.6.SL.1.c, CC.6.SL.1.d, CC.6.SL.3, CC.7.SL.1.a, CC.7.SL.1.b, CC.7.SL.1.c, CC.7.SL.1.d, CC.7.SL.2, CC.8.SL.1, CC.8.SL.1.a, CC.8.SL.1.b, CC.8.SL.1.c, CC.8.SL.1.d, CC.8.SL.2, CC.8.SL.3, CC.11-12.SL.1, CC.11-12.SL.1.c, CC.11-12.SL.1.d, CC.11-12.SL.2, CC.11-12.SL.3, CC.9-10.SL.1, CC.9-10.SL.1.a, CC.9-10.SL.1.b, CC.9-10.SL.1.c, CC.9-10.SL.1.d, CC.9-10.SL.2, CC.9-10.SL.3

### Home School – Module 5

#### Module Title: Finance

General Description: The financials behind business. Link math and business necessary to run a successful business. This is achieved by explaining a company's start-up costs, income, revenue, expenses, budgeting, forecasting, and profits modules.

#### Topics Covered

1. Business Finance
2. Budgeting Basics
3. Cash Flow
4. Income / Expenses
5. Creating a Business Ledger
6. Cost per Unit
7. Markup Percentages
8. Personal Expenses
9. Startup Costs (Research)

#### Standards Addressed

General Math:	CC.K.CC.6, CC.K.OA.1, CC.K.OA.2, CC.K.OA.3, CC.K.OA.4, CC.K.OA.5, CC.K.MD.1, CC.K.MD.3, CC.1.OA.3, CC.1.OA.4, CC.1.OA.5, CC.1.OA.6, CC.1.OA.8, CC.1.NBT.2, CC.2.OA.2, CC.2.OA.3, CC.2.NBT.9, CC.3.OA.1, CC.3.OA.2, CC.3.OA.3, CC.3.OA.4, CC.3.OA.7, CC.3.NBT.1, CC.4.NBT.1, CC.4.NBT.2, CC.7.RP.1, CC.7.SP.8c, CC.9-12.S.MD.1, CC.9-12.S.MD.2, CC.9-12.S.MD.3, CC.9-12.S.MD.4, CC.9-12.S.MD.5, CC.9-12.S.MD.5a, CC.9-12.S.MD.5b, CC.9-12.S.MD.6, CC.9-12.S.MD.7, CC.K-12.MP.1, CC.K-12.MP.2, CC.K-12.MP.3, CC.K-12.MP.4, CC.K-12.MP.5, CC.K-12.MP.6, CC.9-12.S.MD.1, CC.9-12.S.MD.2, CC.9-12.S.MD.3, CC.9-12.S.MD.4, CC.9-12.S.MD.5, CC.9-12.S.MD.5a, CC.9-12.S.MD.5b, CC.9-12.S.MD.6, CC.9-12.S.MD.7
Finance:	CC.1.L.2.a, CC.1.L.2.c, CC.2.MD.7, CC.2.MD.8, CC.2.MD.9, CC.2.MD.10, CC.5.NBT.3, CC.5.NBT.3b, CC.5.NBT.4, CC.6.RP.3d, CC.6.EE.6, CC.7.RP.2c, CC.7.RP.3, CC.7.EE.3, CC.7.EE.4, CC.7.EE.4b
Inventory:	CC.2.NBT.1, CC.2.NBT.2, CC.2.NBT.3, CC.2.NBT.6, CC.2.NBT.7, CC.2.NBT.8
Pricing:	CC.6.RP.3c, CC.6.RP.3b

## Module 5: Finance

In the final module, students understand the financials behind business. The goal is to link math and business, showing students that even entrepreneurs need to have basic math skills in order to run a successful business. This is achieved by explaining a company's start-up costs, income, revenue, expenses, budgeting, forecasting, and profits modules.

### Student Goals:

- > Understand various financial aspects of owning a business
- > Determine their personal income and learn how to budget.
- > Create a cash flow statement
- > Create a business ledger of expenses

### Sections:

- I. Understanding business finances
- II. Basics of budgeting
- III. Keeping Track of Cash Flow
- IV. Tracking income and expenses

### Worksheets:

1. Defining Basic Business Finances
2. Determining My Personal Expenses
3. Budgeting for My Family
4. Creating my budget
5. Determining cash flow
6. Create a business ledger

### Definitions: 9

### Classroom Discussions: 1

## Understanding Business Finances

As the overall goal of having a business is to make money, learning how to use it wisely is VERY important! If you cannot manage money well, your business will definitely fail. Most people that want to start their own Micro-enterprise do not have a lot of money, so they probably do not know how to manage it well, which is why this information is useful.

### **DEFINITION:**

Startup costs:

Initial expenses/costs incurred to begin a business.

### **DISCUSSION:**

What are your startup costs? Where will you get the funds? Which costs / expenses are mandatory to start, and which ones can wait until the business has opened? Is it important to have everything perfect before the doors are opened, or can you start little by little and expand as you start to make money? Which idea is smarter?

### General Startup Costs for Businesses:

1. Marketing expenses and advertising
  - a. How can you get advertising for free?
    - i. Create a press release on your own and email it to all of your friends.
    - ii. Come up with a story for a local news station. What would they be interested in?
    - iii. Find the local email blasts and tell them about your new venture. They're always looking for new businesses.
2. Business licenses
  - a. What is a business license? Is it necessary to start your business?

A business license is a permit issued by the government. It authorizes business owners to start their business. Business licenses vary between countries, states, and local governments.
3. Rent
  - a. Do you businesses need a physical location at first?
4. Equipment
  - a. What type of equipment could a business need to start?
5. Accountant and Attorney
  - a. Why would you need an accountant and attorney to start a business?
  - b. Whether it's how you collect money, how you operate your business, or simply making sure all is legal, it's always good to know for sure before you begin. Get a professional opinion.
6. Inventory
  - a. What type of materials do businesses need to open?

*Assignment option:*

Have the students do the research and find all prices for the products and services that will be sold through their Micro-enterprise.

**DEFINITION:**

Cost per unit:

The total cost of production, (how much it costs the business owner to create the product or service) and adding your markup percentage.

**DEFINITION:**

Markup percentage

The percentage of profit you intend to make when selling a product or service. This amount is added to each item or service sold.

**DEFINITION:**

Profit:

Money made after expenses are paid in a business.

How is profit determined?

Profit is determined by taking the total revenue and subtracting the actual cost of the product or service, business expenses and taxes

**DEFINITION:**

Business Expenses:

Any expenses incurred by business on a regular basis.

These include: Rent, taxes, insurance, utilities, etc.

**WORKSHEET:** Defining Basic Business Finances

Complete the worksheet.



## Basics of Budgeting

**DEFINITION:**

Budgeting:

An overall view and/or average of all expenses, income and revenue together.

**WORKSHEET:** Determining My Personal Expenses

Complete the worksheet

**WORKSHEET:** Budgeting for My Family

Complete the worksheet

**WORKSHEET:** Creating My Budget

Complete the worksheet



## Keeping Track of Cash Flow

### **DEFINITION:**

#### Cash Flow

The total amount of money being transferred into and out of a business.

#### Cash Flow Statement

A financial statement that shows a business's changes in balance based on amount of cash in and cash out. This is a vital piece of financial record-keeping detailing of all payments.

### **WORKSHEET:** Determining Cash Flow

Complete the worksheet

Fill in the following cash flow statement using the following information:

Name of Entrepreneur:                      Your name  
 Name of Micro-Enterprise:              Your business name  
 Month:    Current month  
 Year:    Current year  
 Beginning Balance:                         \$100

#### Cash Flow:

1. A customer purchases a pair of your shoes for \$30.
2. A customer gave you a \$10 tip.
3. A customer buys a pair of shoes from the 50% off rack. They were originally \$50.
4. A customer returns a pair of shoes. They cost \$60.
5. You purchase 200 flyers for an upcoming sale. The fliers cost \$12 for 100.

Cash Flow Statement				
Name of Entrepreneur:			Month:	
Name of Micro-Enterprise:			Year:	
Beginning Balance (Cash): \$100			Remaining Balance (Cash): \$81	
Item	Cash In - Amount	Cash Out - Amount	Total Amount	Date
Shoes	\$30		\$130	
Tip	\$10		\$140	
Disc. Shoes	\$25		\$165	
Ret. Shoes		\$60	\$105	
Flyers		\$24	\$ 81	

# IV Tracking Income and Expenses

**DEFINITION:**

Business Ledger

A document that tracks the credit (income) and debit (expenses) of an account.

**WORKSHEET:** Create a Basic Business Ledger

Complete the worksheet

Use the sample ledger provided to record the following sample transactions:

1. A customer purchases a pair of your shoes for \$20.
2. A customer purchases two pairs of socks. Each pair are \$10.
3. A customer gave you a \$10 tip for helping them find their correct shoe size.
4. A customer buys a pair of shoes from the 50% off rack. They were originally \$50.
5. You purchase 200 fliers for an upcoming sale. The fliers cost \$12 for 100.
6. New cleaning supplies are needed. \$6 is spent on supplies.

Description/Transaction	Credit (Income)	Debit (Expenses)
Shoe purchase	\$50	
Customer tip	\$10	
Shoe purchase (clearance)	\$15	
Purse purchase	\$25	
Sale fliers		\$24
Cleaning supplies		\$ 8
TOTAL		
TOTAL INCOME:	\$70	
– TOTAL EXPENSES:	\$32	
TOTAL PROFIT:	\$38	

1. What is your total income?
2. What are your total expenses?
3. What is your total profit?

# Micro-Enterprise Curriculum



© 2016 Funds2Orgs, LLC

Funds2Orgs, LLC reserves all rights of reproduction and all copyrights in designs and program creations in the Teacher Edition, High School Micro-enterprise Curriculum, created by Funds2Orgs, LLC as well as the preliminary design and any incidental works made therefrom.

All materials, including, but not limited to any marketing materials, data or information developed or provided by Funds2Orgs, LLC are and will remain the sole and exclusive property of Funds2Orgs, LLC and its Affiliates. Unauthorized copying, reverse engineering, decompiling and creating derivative works are expressly forbidden. No part of the content may be otherwise or subsequently reproduced, downloaded, disseminated, published, or transferred, in any form or by any means, except with the prior written permission of and with express attribution to Funds2Orgs, LLC. Copyright infringement is a violation of federal law subject to criminal and civil penalties.