

Micro-Enterprise Curriculum



Student Workbook

Middle 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.

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WORKSHEET

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Goals:

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

Use the following table to guess your current expenses. Enter the amount of money you think you would need per month for each item in the center column. After you finished, ask your parents / caretaker the actual amounts and write them in the column on the right.

Personal Budget - Per Month		
Items	Amount - My Estimate	Amount - Actual
Allowance		
Lunch Money		
Music/Apps/Games		
Shoes & Clothes		
Toys		
Entertainment		
School Supplies		
Other _____		
Other _____		
Other _____		

How much are your expenses a month?

What would you be able to afford on your allowance alone?

Budgeting For My Family

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Take this budget home and work on it with your family.

Family Activity:

Does your family have a budget? What items do you pay for on a monthly basis?

Discuss the difference between the following terms while you fill out the Family Budget listed below.

1. Fixed Expenses - expenses that are the same every month (rent, cable, etc.)
2. Variable Expenses - expenses that change every month (electricity, water, etc.)
3. Periodic Expenses - expenses paid quarterly or annually (car registration, etc.)

Family Expenses / Budget	
Items	Amount
Monthly Income	
Rent/Mortgage	
Utilities	
Car Payment/Insurance	
Commuting/Gas/Maintenance	
Entertainment	
Food	
Clothing	
Cable	
Cell Phone(s)	

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Creating My Budget

Use the information below to fill in the table. Answer the questions using the table.

Your budget for the month is \$3,000.

Your rent is \$1,400.

Your car payment is \$350.

Your utilities are \$200.

Your phone bill is \$160.

You typically spend \$200 a month (\$50 per week) on gas for your car.

Your Budget: 3000	
Items	Amount

How much money is left over for the month? _____

How much money does that give you per week? _____

What other expenses are not included? Add them to your table. _____

Will you have enough to live? _____

What can you do to improve this situation? _____



1. Determining Cash Flow
a) Define cash flow.

b) How will you keep a record of your sales?

2. Creating a Cash Flow Statement

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

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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 fliers 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):			Remaining Balance (Cash):	
Item	Cash In - Amount	Cash Out - Amount	Total Amount	Date

What is your remaining balance at the end of the month?



Create a Basic Business Ledger

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 gave you a \$10 tip for helping them find their correct shoe size.
3. A customer buys a pair of shoes from the 50% off rack. They were originally \$30, but were purchased for \$15.
4. You purchase 200 fliers for an upcoming sale. The fliers cost \$12 for 100.
5. A new order of shoes arrives and cost \$50 for 10 pairs.
6. New cleaning supplies are needed to clean the shoes before they can be put on display, \$8 is spent on supplies.

Description/Transaction	Credit (Income)	Debit (Expenses)
TOTAL		
TOTAL INCOME:		
- TOTAL EXPENSES:		
TOTAL PROFIT:		

continued

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Create a Basic Business Ledger

1. What is your total income?

2. What are your total expenses?

3. What is your total profit?

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