



Micro-Enterprise Curriculum



Student
Workbook

Elementary 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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Goals:

- > Understand various financial aspects of owning a business
- > Create a cash flow statement
- > Create a business ledger of expenses

1. Define startup costs.

a) What are startup costs?

b) What are marketing expenses?

c) What is advertising?

d) What is a business license?

2. What is your cost per unit?

a) Definition of cost per unit:

b) What is a markup percentage?

3. What is revenue?

a) Definition of revenue:

b) How is revenue determined?

continued

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4. Determining profit

a) What is profit?

b) How is profit determined?

5. Understanding Expenses.

a) What are living expenses?

b) What are business expenses?

c) How are they different?

6. Determining a Budget

a) What is a budget?

b) How do you create a budget?

7. Creating a business ledger

a) What is a business ledger?



Creating My Budget

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?



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:		

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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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