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Citizens prepare for their visit to JA BizTown by working in business teams to learn about key factors in operating a business, such as teamwork, operation costs, pricing, and advertising.

**CONCEPTS**

**Running a business:** Businesses at JA BizTown are operated much like real businesses. The CEO of each business will lead his or her team in preparing for the JA BizTown visit.

**Operating costs:** Each business will need to calculate its costs, including salaries and inventory, and apply for a loan. Once the business has revenue, it will need to repay the loan before it can determine profit.

**Advertising:** Effective advertising and solid business plans are crucial to creating successful businesses.

**Quality business:** Businesses that try to meet their customers’ needs through continuous improvement will be more successful. A quality business should focus on good customer service, successful sales, innovative ideas, community involvement, and teamwork.

**Personal finance:** Citizens prepare to manage their own checking and savings accounts, write and endorse checks, make deposits, use debit cards, and spend money at JA BizTown.

**PREPARATION**

To prepare for this unit on business management, review the BizPrep Tab in this guide and the BizPrep paperwork provided by your local JA staff.
Read through each lesson before you teach it so you can choose the activity and instruction pieces you will present to your class. Activities and Application Activities are designed to be somewhat interchangeable so you can choose which ones best suit the needs of your class. Extension activities provide additional learning opportunities on a related topic or concept. Plan for each class session to be about 50 minutes.

The Friendly letters in Lesson 3, Friendly Letters, Page 36, are required components of simulation preparation. Because it is important to finish preparation paperwork, you may want to include these in your writing workshops or language arts periods before you present Lesson 3.

**ASSESSMENT**

An assessment is provided that covers the core concepts presented in Business Management. The assessment is on Pages 74 and 75 in the Teacher References. An answer key immediately follows.
BUSINESS MANAGEMENT

Lesson 1: Business Costs

LESSON CONCEPTS

In this lesson, citizens are assigned to their businesses and begin to operate as teams led by their CEOs. After reviewing the importance of teamwork, teams will name their business, examine business costs and begin their preparatory work in BizPrep. Each business team will complete their Business Cost Sheet, Loan Application and Promissory Note from the Business’s BizPrep envelope.

ESSENTIAL QUESTION: What costs are involved in running a business?

LEARNING OBJECTIVES

Citizens will:
- Describe costs associated with operating a business.
- Calculate business expenses.
- Use teamwork to create a paragraph that describes a business.

MATERIALS

- Citizen Guides
- Banks in an Economy Poster (kit)
- Illustration BizM-1A, Sample Business Costs
- BizPrep paperwork/envelope provided by JA Area Office, one per business team
- Lined paper
PREPARATION

Determine citizen jobs and business teams before this lesson begins; you will be assigning them to the citizens in this lesson. You can use the Employment Letter in the Jobs Tab of the Teacher Guide to inform citizens of their job assignments.

SETTING THE STAGE

- Express your appreciation for the excellent work the citizens did with their job applications (and interviews) and congratulate them on becoming employees in JA BizTown.
- Distribute job assignments and answer any questions.
- Ask citizens for some names of their favorite stores. Ask why they like them and what makes them nice places to shop.

AV OPTION

If you have not yet shown the video about the JA BizTown experience, consider showing it to set the stage for this lesson. Please visit our website at www.jascpa.org, click JA BizTown, click Educator Information, then click Watch the JA BizTown Video link at the bottom of the page.
ACTIVITY

Business Descriptions

1. Citizens will now be part of business teams. Each team will use teamwork to run a **quality business**. Define that term. Have citizens break into their newly assigned business teams. Tell them to take their Citizen Guides with them.

2. Reiterate that a quality business tries to meet its customers’ needs through a process of continuous improvement. A quality business should focus on good customer service, successful sales, innovative ideas, community involvement, and teamwork.

3. Remind your class that teamwork is the cooperative effort of members of a group to achieve a goal. It takes all employees working together to get the tasks done at JA BizTown and to make a business successful.

4. Inform the business teams the first decision they must make together is what their business name will be. (Give the teams a few minutes to decide.)

5. Using lined paper, have each business team write a paragraph about its business and the methods it will use to ensure it is a quality business.

6. One team member will write a sentence and pass the paper to the next member for the next sentence. This continues until a coherent, descriptive paragraph is developed. Encourage the writers to link opinion and reason, using phrases and clauses that begin with such words as *consequently, specifically,* and *distinctly.* For example, “Our restaurant is clean and well-lit; consequently, diners have a pleasant dining experience.”

7. Have each group share its paragraph with the rest of the class.

8. Point out that each business has used teamwork to create the business name and paragraph that describes its business.
**ACTIVITY**

**Calculating Business Costs**

1. Explain that citizens will learn how to calculate business costs so they know how much money they will need to operate their businesses.

2. Ask why businesses need money to operate. (They must pay for resources—human, natural, and capital.)

3. Explain that when a business is just starting, it has not yet received **revenue** from sales. Revenue is the amount of money received from the sales of goods or services. New businesses often borrow the money to get started. The borrowed money will pay for initial business costs but must be repaid.

4. Explain that each team will apply for a business loan at JA BizTown so its business has money to buy necessary resources.

5. Tell citizens that each business team is responsible for completing the paperwork and planning needed to make its business operation a success. Before the teams start the paperwork, walk them through a sample.

6. Ask citizens to turn to their Citizen Guides, Page 53, Sample Business Costs. Display Page 8, Illustration BizM-1A, Sample Business Costs, and demonstrate how to complete each section while citizens complete those sections in their Citizen Guides. (The answer key is on Page 9.)

**Salaries**

- Define **salary** as the money an employee earns for his or her work.
- List first and last names of employees. (Use fictional names.)
- Compute salaries (salary per pay period times the number of pay periods equals the total of each salary).
- Add each salary total to get the total of all employees’ salaries.

**Operating Costs**

- Define **operating costs** as the total of all expenses needed to run a business.
- Add all operating expenses to get the total operating costs.
- Mention each cost listed on the sample and point out that businesses may have different operating costs. For example, a radio ad is not an expense for the BizTown radio station, but it would be for a restaurant or bank.
Simulation Connection

Point out to citizens that the amount budgeted for an item may not be the actual amount they will pay. These are maximum estimates. For example, the budgeted amount for utilities may be $5.00, but the actual bill may only be $2.00.

The BizPrep envelope also contains a Philanthropy Commitment Pledge. Remind citizens that philanthropy is defined as the effort to increase the well-being of people and communities through charitable giving, often to nonprofit organizations.

Explain that quality businesses often invest in and contribute to the communities in which they operate. Ask citizens to read the pledge and have each employee sign it, forming a business-team pledge. Collect BizPrep envelopes for the next lesson.

Total Business Costs

- Add all salaries and operating costs to get the total business costs.

7. Distribute the appropriate BizPrep envelope of paperwork to the chief executive officer (CEO) of each business team. The CEOs will help their teams complete the Sample Business Costs sheet. Answer questions as they arise.

8. Once teams have projected their business costs, they will need to apply for loans from the bank. Businesses must pay interest on their loans at JA BizTown.

9. Instruct each team to complete the loan application and the promissory note in the BizPrep paperwork. Define promissory note as a promise to repay a loan within a certain time period.
## SAMPLE BUSINESS COSTS

### SALARIES

<table>
<thead>
<tr>
<th>Student Name</th>
<th>Account #</th>
<th>Salary</th>
<th>Pay Periods</th>
<th>Total Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td></td>
<td>$9.00</td>
<td>X 2</td>
<td></td>
</tr>
<tr>
<td>CFO</td>
<td></td>
<td>$8.50</td>
<td>X 2</td>
<td></td>
</tr>
<tr>
<td>Food Manager 1</td>
<td></td>
<td>$8.00</td>
<td>X 2</td>
<td></td>
</tr>
<tr>
<td>Food Manager 2</td>
<td></td>
<td>$8.00</td>
<td>X 2</td>
<td></td>
</tr>
<tr>
<td>Beverage Manager 1</td>
<td></td>
<td>$8.00</td>
<td>X 2</td>
<td></td>
</tr>
<tr>
<td>Beverage Manager 2</td>
<td></td>
<td>$8.00</td>
<td>X 2</td>
<td></td>
</tr>
<tr>
<td>Sales Manager 1</td>
<td></td>
<td>$8.00</td>
<td>X 2</td>
<td></td>
</tr>
<tr>
<td>Sales Manager 2</td>
<td></td>
<td>$8.00</td>
<td>X 2</td>
<td></td>
</tr>
<tr>
<td>Sales Manager 3</td>
<td></td>
<td>$8.00</td>
<td>X 2</td>
<td></td>
</tr>
<tr>
<td>Sales Manager 4</td>
<td></td>
<td>$8.00</td>
<td>X 2</td>
<td></td>
</tr>
</tbody>
</table>

Total of All Salaries

### OPERATING COSTS

<table>
<thead>
<tr>
<th>Cost</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>($4.00 to newspaper, $4.00 to radio station, $4.00 to phone)</td>
<td>$12.00</td>
</tr>
<tr>
<td>Taxes</td>
<td>($5.00 to City Hall for property taxes)</td>
<td>$5.00</td>
</tr>
<tr>
<td>Health Care</td>
<td>($2.00 to Wellness Center)</td>
<td>$2.00</td>
</tr>
<tr>
<td>Professional Services</td>
<td>($2.00 to CPA, $2.00 to attorney, $2.00 to insurance)</td>
<td>$6.00</td>
</tr>
<tr>
<td>Rent</td>
<td>($8.00 to realty office)</td>
<td>$8.00</td>
</tr>
<tr>
<td>Supplies</td>
<td>($5.00 to supply center for start-up, $2.00 for additional product)</td>
<td>$7.00</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>($2.00 to nonprofit organization)</td>
<td>$2.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>($5.00 to electric co., $2.00 to water co., $5.00 to telephone co.)</td>
<td>$12.00</td>
</tr>
</tbody>
</table>

Total Operating Costs $

Total Business Costs
(Salaries plus operating costs. Enter this amount in the computer.)
# SAMPLE BUSINESS COSTS

## SALARIES

<table>
<thead>
<tr>
<th>Student Name</th>
<th>Account #</th>
<th>Salary</th>
<th>Pay Periods</th>
<th>Total Salary</th>
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<td>X 2</td>
<td></td>
</tr>
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<td>$8.00</td>
<td>X 2</td>
<td>$16.00</td>
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<td>X 2</td>
<td></td>
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<tr>
<td>Sales Manager 1</td>
<td>115</td>
<td>$8.00</td>
<td>X 2</td>
<td>$16.00</td>
</tr>
<tr>
<td>Sales Manager 2</td>
<td>120</td>
<td>$8.00</td>
<td>X 2</td>
<td>$16.00</td>
</tr>
<tr>
<td>Sales Manager 3</td>
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<td>X 2</td>
<td></td>
</tr>
<tr>
<td>Sales Manager 4</td>
<td></td>
<td>$8.00</td>
<td>X 2</td>
<td></td>
</tr>
</tbody>
</table>

Total of All Salaries $99.00

## OPERATING COSTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>($4.00 to newspaper, $4.00 to radio station, $4.00 to phone)</td>
<td>$12.00</td>
</tr>
<tr>
<td>Taxes</td>
<td>($5.00 to City Hall for property taxes)</td>
<td>$5.00</td>
</tr>
<tr>
<td>Health Care</td>
<td>($2.00 to Wellness Center)</td>
<td>$2.00</td>
</tr>
<tr>
<td>Professional Services</td>
<td>($2.00 to CPA, $2.00 to attorney, $2.00 to insurance)</td>
<td>$6.00</td>
</tr>
<tr>
<td>Rent</td>
<td>($8.00 to realty office)</td>
<td>$8.00</td>
</tr>
<tr>
<td>Supplies</td>
<td>($5.00 to supply center for start-up, $2.00 for additional product)</td>
<td>$7.00</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>($2.00 to nonprofit organization)</td>
<td>$2.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>($5.00 to electric co., $2.00 to water co., $5.00 to telephone co.)</td>
<td>$12.00</td>
</tr>
<tr>
<td>Recycling</td>
<td>($2.00 to City Hall)</td>
<td>$2.00</td>
</tr>
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</table>

Total Operating Costs $56.00

Total Business Costs $155.00

(Salaries plus operating costs. Enter this amount in the computer.)
CHECK IT OUT! DAY EIGHT

Today’s beginning balance: $30.54
The bank was closed today and you needed $5.00 cash, so you used your debit card at the ATM to get the money.

You then went to the beach with your friends and bought sunscreen at The Beach Cabana for $4.30, paying with your debit card.

(Ending balance is $21.24.)

SUMMING IT UP

• Project or display the Banks in an Economy Poster and review the movement of money between banks and businesses.

• Point to the green arrows on the poster between banks and businesses, indicating that banks lend money to businesses and businesses deposit money in the banks and repay loans.

• Review that a loan is an amount of money that is borrowed and must be repaid, usually with interest. Remind citizens that interest is a fee charged for using someone else’s money.

OPTION

Move on to Lesson 2, which begins on Page 25, or choose an application activity to give citizens further practice and to reinforce concepts.

• Application Activity 1 focuses on good customer service.

• Application Activity 2 further explains ranking criteria.

• Extension Activity 1 gives citizens an opportunity to work in their business teams and create a quality task committee.

• Extension Activity 2 introduces citizens to BizBriefs, which provide an opportunity to find out more about how businesses operate.
APPLICATION ACTIVITY 1

Customer Service

MATERIALS

- Illustration BizM-1B, The Customer Comes First
- Citizen Guides

When working at JA BizTown, citizens will have to put the needs of customers above their own needs. In this exercise, they have an opportunity to think through some of the skills that show outstanding customer service.

1. Remind citizens that without customers and the money they spend, a business would not generate revenue or make a profit, and it would cease to exist. That’s why the saying “the customer comes first” is embraced by many successful businesses.

2. Ask volunteers to share a personal experience they have had with great customer service and how that service shaped their opinion about the business. Or relate an experience that you have had.

3. Project or display Page 12, Illustration BizM-1B, The Customer Comes First, and ask citizens to turn to their Citizen Guides, Page 54, The Customer Comes First. Discuss how these skills and qualities can improve a business by increasing customer loyalty and return business. For each of the customer service skills, have citizens write a sentence that describes how an outstanding employer or employee would exhibit those skills.

4. At the end of the activity, you may want to have a few citizens volunteer to act out the skill. Or, as a class, you may want to come up with phrases that a worker could use that show good customer service skills, such as “How may I help you today?”; “I can assist you with that”; or “I don’t know, but I will find out.”
THE CUSTOMER COMES FIRST

Read through the list of good customer service skills. For each skill, write a sentence describing how an outstanding employer or employee would show that quality.

Patience
__________________________________________________________________
__________________________________________________________________

Attentiveness
__________________________________________________________________
__________________________________________________________________

Clear Communication
__________________________________________________________________
__________________________________________________________________

Knowledge of the Product
__________________________________________________________________
__________________________________________________________________

Positive Attitude
__________________________________________________________________
__________________________________________________________________

Time Management
__________________________________________________________________
__________________________________________________________________

Self-Control
__________________________________________________________________
__________________________________________________________________

Ability to Handle Surprises
__________________________________________________________________
APPLICATION ACTIVITY 2

Ranking Criteria

MATERIALS

- Illustration BizM-1C, Lunch Web Report
- Citizen Guides

1. Ask citizens to name things that often are ranked. (sports teams, cities, colleges, high school students’ academic records, contest winners)

2. Emphasize that ranking is the process of putting things into a position on an ordinal scale—usually first, second, third, etc.—in relation to other similar things.

3. Point out that before someone can rank something, criteria must be defined so everyone knows what is being compared. Criteria are the standards used in making an evaluation of alternatives. For example, how are people likely to rank baseball teams? (Answers will vary but could include wins and losses, player batting averages, and team World Series championships.)

4. Ask for possible ranking criteria for the following:
   - Students (grades, attendance, behavior).
   - Cities (population, square miles, affordability).
   - Vacation spots (fun for family, cost, safety).
   - Colleges (graduation rates, tuition costs).

5. Explain that there are many ways to rank something. How something is defined and judged depends on the criteria used by the people doing the ranking.

6. Invite citizens to develop criteria that will help rank school lunches. Discuss the following: “Let’s say we wanted to rank elementary schools based on their school lunches. What specific details could we list about school lunches that would help judges rank them?” (main dishes, beverages, desserts, cleanliness, prices, cafeteria seating)


8. Add various specific details in the outer circles that citizens suggest. Summarize by saying that the web now reflects specific details that could help in ranking school lunches.
EXTENSION ACTIVITY 1

Quality Task Committee

MATERIALS

- Citizen Guides
- Illustration BizM-1D, What is a Quality Business?
- Illustration BizM-1E, Brainstorming Rules
- Illustration BizM-1F, Biz-QTC Web Report

1. Ask if citizens have ever heard of people ranking businesses. (Answers will vary.) Some businesses are ranked by the size of their revenue. Remind them that revenue is the amount of money received from selling goods or services. It is determined by multiplying the price of the good or service by the quantity sold.

2. Explain that businesses might be ranked in other ways. Suggest that they might be ranked on what makes them a quality business. Ask how citizens might rank quality businesses. What criteria would they choose? The rest of this lesson answers the question, What is a quality business? Show Page 17, Illustration BizM-1D, What is a Quality Business?

3. Divide the class into groups of three to four citizens to brainstorm about quality businesses. Show Page 18, Illustration BizM-1E, Brainstorming Rules, and tell citizens to turn to the Citizen Guide, Page 56, Brainstorming Rules.

   - Each group should appoint a recorder, but all group members should take notes.
   - There are no wrong answers when brainstorming.
   - Go over the other brainstorming rules that are listed.

4. Answer any questions.

5. After 5-10 minutes, allow groups to share ideas with the entire class. Try to narrow the list to eight to 10 characteristics of a quality business, and record them on the board. The list should include:

   - Good customer service.
   - Strong community involvement and support.
• Profitable, successful sales.
• Creative ideas and solutions.
• Employee teamwork.
• Strong business ethics.
• Competitive pricing.

6. Tell citizens they are now prepared for a special task. They are officially appointed to the JA BizTown Quality Task Committee (Biz-QTC, for short). Each Biz-QTC team must create a web report for one quality business criterion listed on the board.


8. Assign each group—now a committee—a criterion from the board. Tell each committee to write its criterion in the middle circle of the web and write specific details for evaluating its criterion in the outlying web circles. (If citizens did not do Application Activity 2, Page 13, you may need to model this on the board.)

9. Allow 5-10 minutes for committees to complete their webs. At the end of that time, have each committee share its web. Encourage every citizen to take detailed notes in the Citizen Guide, Page 58, Biz-QTC Summary Report. (A copy of the report is on Page 21; a sample of answers is on Page 21.)

10. Congratulate citizens for creating a document to evaluate a business. Explain that the Biz-QTC Summary Report really is a guide to best practices. Best practices are the “best ways” to do something to lead to success. The summary report lists important details about how to operate a quality business.

11. Tell citizens to cross out the current title (Biz-QTC Summary Report) and replace it with the title “Best Practices for a Quality Business.”

12. Point out that you helped guide and organize the citizens’ thinking, but you did not “tell” them how to run a quality business. They apparently knew quite a bit, and they proved it by generating their own best practices guide!
1. All ideas are welcome! Write down all ideas that come from your team. You can give your favorites later.
2. Mind-tag is encouraged! One person’s idea may give another person a good idea. That’s great.
3. Do not put down anyone’s ideas! Every idea expressed is important. Odd ideas may end up being the best ideas.
4. Work quickly! Keep the pace fast—that’s half the fun.

What Is a Quality Business?

List the ideas below.

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________
BRAINSTORMING RULES

Name _________________________________

Write your assigned criterion in the middle circle. Write specific details in the outer circles that help measure your criterion. If necessary, draw more circles.
**BIZ-QTC WEB REPORT**

Name__________________________________________

This report summarizes the efforts of all Biz–QTCs. It has been determined by citizens of JA BizTown that the following summary of details reflects quality businesses. Remember: The business criterion is from the center web circle. The details are from the outer circles.

1. Business Criterion: __________________________________________
   Details: ______________________________________________________
   _____________________________________________________________
   _____________________________________________________________

2. Business Criterion: _________________________________________
   Details: ______________________________________________________
   _____________________________________________________________
   _____________________________________________________________

   Details: ______________________________________________________
   _____________________________________________________________
   _____________________________________________________________

4. Business Criterion: _________________________________________
   Details: ______________________________________________________
   _____________________________________________________________
   _____________________________________________________________

5. Business Criterion: _________________________________________
   Details: ______________________________________________________
   _____________________________________________________________
   _____________________________________________________________

Please do not tear out this page.
BIZ-QTC SUMMARY REPORT

Name ______________________________________

This report summarizes the efforts of all Biz-QTCs. It has been determined by citizens of JA BizTown that the following summary of details reflects quality businesses. Remember: The business criterion is from the center web circle. The details are from the outer circles.

1. Business Criterion: good customer service
   Details: clean store; no waiting; knowledgeable, helpful, and friendly clerks; phone calls and emails answered promptly; customer complaints addressed

2. Business Criterion: satisfied employees
   Details: good working conditions; adequate pay; good vacation and personal days; strong teamwork; good manager

3. Business Criterion: strong business ethics
   Details: honest in its actions with customers; employees can be trusted; charges the same fair prices to everyone; treats all customers with respect

4. Business Criterion: profitable, successful sales
   Details: doesn’t overcharge but prices are high enough to earn a profit; pays attention to costs in setting prices; watches unnecessary expenses; evaluates pricing structures frequently

5. Business Criterion: strong community involvement and support
   Details: participates in community events; gives to local nonprofit organizations; listens to citizens when they have concerns or questions

Please do not tear out this page.
BIZ-QTC SUMMARY REPORT

EXTENSION ACTIVITY 2

BizBriefs

MATERIALS

- Citizen Guides
- Copies of BizBriefs provided by JA Area Office
- Biz-QTC Summary Report Answer Key

1. Ask if citizens have ever heard of people ranking businesses. (Answers will vary.) Some businesses are ranked by the size of their revenue. Remind them that revenue is the amount of money received from selling goods or services. It is determined by multiplying the price of the good or service by the quantity sold. The famous Fortune 500 list ranks the top 500 U.S. corporations by their revenue. *Fortune* magazine publishes this list every year.

2. Explain that businesses might be ranked in other ways. Suggest that they might be ranked on what makes them a quality business. Ask how citizens might rank quality businesses. What criteria would they choose? (customer service, business ethics, competitive pricing, satisfied employees)

3. Divide the class into groups of two to four citizens each, depending upon the number of businesses in BizBriefs. Give each citizen or group a copy of BizBriefs.

4. Assign a BizBrief (a single business) to each group. Have the citizens turn to their Citizen Guides, Page 59, BizBrief Summary, and answer the questions based on their reading of the brief. (A copy is on Page 23.) Refer to Page 20, Biz-QTC Summary Report Answer Key, for the necessary criteria of quality businesses. You may want to display these for reference or write them on the board.

5. Allow 10-20 minutes for citizens to complete their work. Each group should appoint a recorder. Have each recorder read the questions and his or her group’s answers to the class.
6. After all groups have reported, note that the businesses are different in many ways, but they all strive to be quality businesses. That means they work to meet their customers’ needs through a process of continuous improvement.

7. Ask what might happen if a business did not make the effort to be a quality business. (It might lose money and go out of business.)

8. Point out that the BizBriefs booklet features businesses that serve customers and generate profit in different ways.

9. In JA BizTown, each citizen will be a member of a business team that will work to develop a quality business and earn a profit.

10. Allow groups 5-10 minutes to think of and list quality business methods they will use in their JA BizTown businesses.

11. Collect the BizBriefs for reuse or allow citizens to keep them, depending on instructions by your JA Area Office.
BIZBRIEF SUMMARY

Name _______________________________________

Read your assigned business description in the BizBriefs booklet and answer the following questions.

1. What is the name of your business? __________________________________

2. What product does this business sell? ________________________________

3. Is this product a good or a service? ________________________________

4. What details tell you that this is a quality business? Be specific.
   ____________________________________________________________________
   ____________________________________________________________________

5. Your future business team soon will prepare paperwork and plan for JA BizTown. Name specifics in this BizBrief that you want to remember for your business.
   ____________________________________________________________________
   ____________________________________________________________________
   ____________________________________________________________________
   ____________________________________________________________________

6. Briefly describe two ideas that you have to expand or grow this business. (Be creative with your ideas!)
   ____________________________________________________________________
   ____________________________________________________________________
   ____________________________________________________________________
   ____________________________________________________________________

Citizen Alert!
Businesses create strategic plans to determine their long-term goals.
BUSINESS MANAGEMENT VOCABULARY

Lesson 1

Best practices
The “best ways” to do something to lead to success.

Criteria
The standards used to evaluate alternatives.

Operating costs
The total of all expenses needed to run a business.

Promissory note
A promise to repay a loan within a certain time period.

Quality business
A business that tries to meet its customers’ needs through continuous improvement.

Ranking
The process of putting things into a position on an ordinal scale in relation to other similar things.

Revenue
The amount of money earned from sales.

Salary
The money an employee earns for his or her work.
Lesson 2: Advertising and Slogan

Lesson Concepts
Citizens learn the importance of advertising to attract customers. They create advertising and slogan for their JA BizTown businesses that will be used on simulation day.

Essential Question: Why should I advertise?

Learning Objectives
Citizens will:
• Define advertising and slogans.
• Describe characteristics of effective advertising.
• Acknowledge how effective teamwork and cooperation enhance business teams.
• Appreciate how careful completion of details ensures a more successful JA BizTown visit.

Materials
• Citizen Guides
• BizPrep envelopes
• Illustration BizM-2A, Advertising Works
• Illustration BizM-2B, Catchy Slogans
• Staplers
• Scissors
SETTING THE STAGE

• Have citizens identify ways they have seen or heard advertisements. (TV, radio, newspaper, magazine, sides of vehicles, billboards, Internet pop-ups)

• Ask a few citizens to describe their favorite ads.

• Ask a few citizens to describe ads they do not like.

• Have citizens identify slogans

• What is the difference between an Advertisement and Slogan?
INSTRUCTION

Advertiseing

1. Remind citizens that quality businesses work to serve their customers’ needs as a way to increase sales and, ultimately, to make a profit. Advertising helps bring buyers and sellers together.
   - Advertising is a way of persuading people to want goods or services.
   - Businesses seek the best advertising method and location. This varies from business to business.

2. Remind citizens that advertising is an operating cost at JA BizTown, and they must develop advertising appropriate for their market. Businesses try to target their advertising to the people who might need or want their products. It would not be cost effective, after all, to advertise girls’ clothes in a magazine for teen boys.

3. Have citizens meet in their business teams. Tell them to turn to Citizen Guide, Page 63, Advertising Works, and brainstorm ads they remember and like. (A copy is on Page 29, Illustration BizM-2A) They should explore why they like certain ads. Team members should discuss their choices but record answers individually.

4. Tell citizens to record these advertising characteristics in their guides.
   - Good ads do the following:
     - Grab our attention.
     - Hold our interest.
     - Create a desire for the product.
     - Prompt us to buy the product.

5. Ask why the last two are important. (They help bring the buyer and seller together.)

   - Each team will develop an advertisement for the Radio and TV station for its business.
   - Direct the CEOs to lead their teams to prepare advertising using the appropriate BizPrep page(s). Give them a minimum of 10 minutes to prepare their ads.

Note: To save time, the same ad can be used for both the Radio and TV station.
Slogans

7. A **slogan** is a short, memorable motto or phrase used in an advertising campaign.

8. Refer to Illustration BizM-2B, Catchy Slogans, Page 30, to give students examples of business slogans.

   
   Note: The same slogan can be used for both.
**ADVERTISING WORKS**

Name ________________________________

Directions: In the first column, name or briefly describe ads you like. In the second column, briefly explain why you like them.

<table>
<thead>
<tr>
<th>Advertisement I Like</th>
<th>Why I Like It</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Characteristics of a Good Advertisement**

1. ____________________________________________________________________
2. ____________________________________________________________________
3. ____________________________________________________________________
4. ____________________________________________________________________
CATCHY SLOGANS

1. What’s in Your Wallet? ____________________________ Capital One

2. Win from Within ________________________________ Gatorade

3. Eat Fresh ____________________________________ Subway

4. Live Más ____________________________________ Taco Bell

5. You’re in Good Hands __________________________ Allstate

6. I’m Lovin’ It __________________________________ McDonald’s

7. We Have the Meats ____________________________ Arby’s

8. Just Do It ____________________________________ Nike

9. Moving at the Speed of Business _______________ UPS

10. Silly Rabbit _________________________________ Trix cereal
**CHECK IT OUT! DAY NINE**

Today’s beginning balance: $21.24

You earned $12.00 raking leaves at your uncle’s house. You deposited his check, asking for $1.50 cash back.

Using your debit card, you purchased a new DVD for $8.27 at Video Mart.

(Ending balance is $23.47)

---

**SUMMING IT UP**

- Remind citizens Advertising is a way to persuade people to want goods or services.
- A slogan is a short phrase used to advertise.
- Discuss ads and slogans that have enticed the citizens to want to buy something.

---

**OPTION**

- Application Activity 2 introduces radio and television jingles.
APPLICATION ACTIVITY 1

Jingles

1. Explain that a **jingle** is a catchy tune used to advertise a business or product. Good jingles should:

   • State the name of the product.
   • Have a simple or repetitive tune.
   • Tell one distinctive feature about the product.
   • Make a valid claim.

2. Ask citizens if they know of an advertising jingle they could hum.

3. Have a volunteer hum a jingle and allow other citizens to guess what product it advertises.

4. After a few minutes of this play, direct the business teams to work on an advertising jingle for their businesses that could be used on the JA BizTown radio or television station.
BUSINESS MANAGEMENT VOCABULARY

Lesson 2

Advertising
A way of persuading people to want goods or services.

Jingle
A catchy tune used to advertise a business or product.

Logo
A graphic mark or emblem used to promote instant public recognition of a business or product.

Slogan
A short, memorable motto or phrase used in an advertising campaign.
Lesson 3: Friendly Letters

LESSON CONCEPTS
Students will learn the different parts of a Friendly Letter. Each student should write a letter to another student.

ESSENTIAL QUESTION: What are the parts of a Friendly Letter?

LEARNING OBJECTIVES
Citizens will:

• Understand the parts of a Friendly Letter
• Demonstrate writing a Friendly Letter

MATERIALS

• Paper for letter writing
• Illustration BizM-3A, Friendly Letters

PREPARATION

When addressing the letter/envelope, have the students use the Business Addresses in the Visit tab. Please be sure to have the students include the name of the student, where the student is working AND the business address.
SETTING THE STAGE

Friendly Letters

1. Explain to citizens that each of them will write a letter to another citizen who will be visiting JA BizTown. These letters will be delivered on simulation day.

2. Display Page 36, Illustration BizM-3A, Friendly Letters, and review the parts of a letter. (If preferred, use your standard format for letter writing.)

3. The topic of the friendly letter may be assigned or left to each citizen’s discretion.
   - Letters should be put in an envelope and addressed to the recipient at their business name and address at JA BizTown.
   - A return address should include the letter writer’s name, business name, and JA BizTown address.
   - JA BizTown business addresses can be found in the Visit Information Tab of this guide.

INSTRUCTION

1. Explain that each citizen will write a letter to another person coming to JA BizTown.

2. Display Illustration BizM-3A and explain the different parts of a Friendly Letter.

3. Inform the students what you would like them to include in their letter.

4. The letters will be a part of the mail service during the JA BizTown visit. The students will receive their letters at that time.

CHECK IT OUT! DAY TEN

Today’s beginning balance: $23.47

Your paycheck of $8.33 was direct deposited today.

Your little brother’s birthday is next week, and you went shopping early and bought him a toy train for $6.39. You wrote a check to Toys and More for the purchase.

(Ending balance is $25.41)
FRIENDLY LETTERS

Friendly letters usually have these parts:

**Heading**
(address and date)

**Greeting** (Dear ___________,)

**Body**
(paragraphs of the letter)

**Closing**
(Sincerely, Your friend, Love)

**Signature**
(Your name in cursive)

**Postscript**
(Sometimes a P.S. is added!)

6599 Classroom Blvd.
Happy Town, VT 09321
July 1, 2014

Dear Jenny,

Guess what I found out today? I will be a teller in the JA BizTown Bank when our class visits in a week or so. I’m really excited to be in the bank because you know how much I love money! I will help my friends make deposits and cash checks. Best of all, I get a salary so I can shop at the other businesses.

Our business team still has a lot to plan before we go, but it’s actually fun. Darren is on my team, so I was really happy about that. We will create some advertising for our bank soon. I hope we can think of some good ideas.

Well, I have to go. It’s time for math. I need to brush up on my adding and subtracting before I go to JA BizTown! I hope to see you soon.

P.S. I almost forgot. Did you know Michelle is moving to Colorado?

Your friend,

Stephanie

Signature
Lesson 4: Setting Prices

LESSON CONCEPTS

Working in their business teams, citizens recognize the importance of accurately setting the prices of goods and services to earn a profit.

ESSENTIAL QUESTION: How much should I charge for my goods and services?

LEARNING OBJECTIVES

Citizens will:

- Define selling price, revenue, and inventory.
- Describe factors that affect selling price.
- Explain the relationship between revenue, costs, and profit.

MATERIALS

- Citizen Guides
- Illustration BizM-4A, Which Price?
- Illustration BizM-4B, Setting a Selling Price
- Candy bar or other prized item
Vocabulary

Selling price
The amount of money a buyer pays and a seller receives for the purchase of a good or service.

SETTING THE STAGE

• Choose an item that you know holds some value for your citizens—it could be a candy bar, a toy, or some other prized item. Ask citizens, If you had money, what would you pay to buy this? Encourage citizens to “outbid” one another. You might want to record the bids on the board.

• After you have received multiple offers, say that because this good was a “hot item” you would be able to set a high price for it, if it were really for sale.

• Tell your class that you also have other items you might like to sell. Offer something that is of lesser value to the citizens but that you have plenty of, such as pieces of paper, coupons, paper clips, or other mundane goods.

• Attempt to get your citizens to pay the same price for those items as they would for the highly valued item.

• Ask your class to suggest a price that would be appropriate for one of the mundane items. Once there is consensus, explain that this would be the selling price of the product. Point out that at JA BizTown they will have the opportunity to buy goods to bring home. They will want to spend their money wisely, so they will not want to pay more for an item than they think it is worth. Explain that good businesses price their goods or services based on what customers are willing to pay.

FIND OUT MORE about spending money wisely. Check out Page 49, Application Activity 1, Wants and Needs.
INSTRUCTION

Price, Profit, and Revenue

1. Announce that several businesses in JA BizTown will have items to sell. Price setting is an important decision because it affects a business’s profit. Remind citizens that profit is the money left over after a business pays all of its costs.

2. Explain that price is important because it often determines whether a person will buy a product, and that affects the revenue of the business making the product.

3. Review that revenue is the price of a good or service multiplied by the quantity sold. For example, if a JA BizTown business sells memory bracelets for $2.00 and sells one each to 50 customers, then its revenue will be $100.00.
   • Revenue must exceed costs for a business to earn a profit.
   • Write the following expression on the board:
     \[ \text{revenue} > \text{costs} = \text{profit} \]
   • If a business sets prices too high, it might not have many customers and may end up losing money because it did not sell enough to cover its costs.
   • Write the following expression on the board:
     \[ \text{revenue} < \text{costs} = \text{loss} \]
   • If a business sets prices too low, it may sell a large quantity, but each item sold could cost more to produce than its price. The business would then have a loss.

4. Explain that the challenge is to set a price that is just right—not too high and not too low.
   • The price must exceed the cost of producing the good or service if the business is to make a profit.
   • A percentage of the business expenses must be added to the selling price of each good or service.

5. Display Page 41, Illustration BizM-4A, Which Price? Read the scenario and complete the table. Ask the following questions as you complete the table. (The answer key is on Page 42.)
• How do you compute revenue for each item? (price times the number of glasses sold)

• How do you compute the costs for the different price levels? (25 cents times the number of glasses sold)

6. Complete the rest of the table with your class. Using the completed table, ask the following questions:

• At which price and quantity will Kirsten and Tobey earn the highest profit? (40 cents; 20 glasses)
• How much profit will they earn at 40 cents? ($3.00)
• What would happen if they lowered the price to 30 cents? (Profit would decrease to $1.50.)
• What would happen if they raised the price to 50 cents? (Profit would decrease to $2.50.)
• At which price will they lose money and how much? (At 20 cents; they would lose $2.00.)

7. Debrief the activity with the following:

• What does the table tell us about setting prices? (Raising prices does not necessarily mean a greater profit. Lowering prices to sell more does not necessarily mean a greater profit.)
• Point out that deciding “which price” to charge for a good or service must be carefully considered.
• A business probably will not make the greatest profit by charging the highest or the lowest price.
• Goods that are highly desired—“hot items”—can be priced a little higher than other goods.
WHICH PRICE?

Kirsten and Tobey will sell lemonade in front of their house. They asked around and found out how many glasses people would buy at different prices. This information is given in the first and second columns. They also know that their cost will be 25 cents per glass. Let’s compute their profit at different prices.

<table>
<thead>
<tr>
<th>Price</th>
<th>Number of Glasses</th>
<th>Revenue</th>
<th>Cost</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>50¢</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40¢</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30¢</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20¢</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WHICH PRICE?

Kirsten and Tobey will sell lemonade in front of their house. They asked around and found out how many glasses people would buy at different prices. This information is given in the first and second columns. They also know that their cost will be 25 cents per glass.

Let’s compute their profit at different prices.

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<tr>
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<th>Number of Glasses</th>
<th>Revenue</th>
<th>Cost</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>50¢</td>
<td>10</td>
<td>$5.00</td>
<td>$2.50</td>
<td>$2.50</td>
</tr>
<tr>
<td>40¢</td>
<td>20</td>
<td>$8.00</td>
<td>$5.00</td>
<td>$3.00</td>
</tr>
<tr>
<td>30¢</td>
<td>30</td>
<td>$9.00</td>
<td>$7.50</td>
<td>$1.50</td>
</tr>
<tr>
<td>20¢</td>
<td>40</td>
<td>$8.00</td>
<td>$10.00</td>
<td>-$2.00</td>
</tr>
</tbody>
</table>
PRACTICE

Price Setting

1. Project or display Page 44, Illustration BizM-4B, Setting a Selling Price, and assign the same worksheet in the Citizen Guide, Page 60. Have citizens work in their business teams, led by their chief financial officer (CFO).

2. Discuss the answers with the class. (An answer key is on Page 45.) During the discussion of question #4 on the worksheet, define inventory as goods that a business has in stock to sell.

3. Explain that citizens will learn a price-setting method based on business inventory. Have them turn to the Citizen Guide, Page 61, Price Setting for a JA BizTown Business. Ask, What is the average price per item? ($2.86, rounded to $3.00) Have teams complete the page and share their answers.

SETTING A SELLING PRICE

Name _________________________________________

Directions: Answer the questions and be prepared to share your responses.

1. What must a business consider when setting a selling price for a good or a service?
   ______________________________________________________________________
   ______________________________________________________________________

2. What effect will a decrease in price have on sales?
   ______________________________________________________________________

3. Why should a business avoid selling a good or a service for less than it costs to produce it?
   ______________________________________________________________________

4. Many stores sell end-of-the-season clothes at a low price. Why?
   ______________________________________________________________________
   ______________________________________________________________________

5. How is the selling price related to profit?
   ______________________________________________________________________
   ______________________________________________________________________
   ______________________________________________________________________

   Citizen Alert!
   End-of-the-season sales help reduce a store’s inventory.
SETTING A SELLING PRICE

Name ____________________________________________

Directions: Answer the questions and be prepared to share your responses.

1. What must a business consider when setting a selling price for a good or a service?
   ____________________________________________________________________
   business costs; how much consumers are willing and able to pay
   ____________________________________________________________________

2. What effect will a decrease in price have on sales?
   ____________________________________________________________________
   When prices go down, more people will buy.
   ____________________________________________________________________

3. Why should a business avoid selling a good or a service for less than it costs to produce it?
   ____________________________________________________________________
   A business must earn a profit to remain in business.
   ____________________________________________________________________

4. Many stores sell end-of-the-season clothes at a low price. Why?
   ____________________________________________________________________
   These items are no longer popular; the businesses must make room for new inventories of seasonal items.
   ____________________________________________________________________

5. How is the selling price related to profit?
   ____________________________________________________________________
   price × quantity sold = revenue
   ____________________________________________________________________
   revenue – costs = profit
   ____________________________________________________________________

   Price will affect how much a business sells and how much revenue it earns.

   Citizen Alert!
   End-of-the-season sales help reduce a store’s inventory.
# PRICE SETTING FOR A JA BIZTOWN BUSINESS

**Name**
___________________________________________

**Important Background Information:**
1. This business has nine different types of items to sell. Its total inventory is 57 items.
2. The business has seven employees and took out a loan of $163.00 at the beginning of the day.
3. The business wants to pay back its loan and still earn a profit before the end of the day.
4. To allow all citizens an equal opportunity to buy items from this business, the sales staff will divide the inventory by three and offer one-third of it for sale during each shopping break.

**Directions:**
1. Complete this inventory sheet as a business team.
2. To start, divide the bank loan by the total number of items for sale to determine the average price per item. Average Price Per Item = _______
3. Price what you think will be “hot sellers” above the average and less desirable items below the average.
4. Appropriately price the items below so this business makes a profit if all of the items are sold to students during their breaks.

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QTY</th>
<th>PRICE EACH</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address Book</td>
<td>9</td>
<td>X</td>
<td>=</td>
</tr>
<tr>
<td>Pen Set</td>
<td>6</td>
<td>X</td>
<td>=</td>
</tr>
<tr>
<td>Bead Necklace</td>
<td>6</td>
<td>X</td>
<td>=</td>
</tr>
<tr>
<td>Colored Pencil</td>
<td>9</td>
<td>X</td>
<td>=</td>
</tr>
<tr>
<td>Poster</td>
<td>3</td>
<td>X</td>
<td>=</td>
</tr>
<tr>
<td>Sunglasses</td>
<td>6</td>
<td>X</td>
<td>=</td>
</tr>
<tr>
<td>Candle</td>
<td>6</td>
<td>X</td>
<td>=</td>
</tr>
<tr>
<td>Key Chain</td>
<td>9</td>
<td>X</td>
<td>=</td>
</tr>
<tr>
<td>Puzzle</td>
<td>3</td>
<td>X</td>
<td>=</td>
</tr>
</tbody>
</table>
Simulation Connection

When at JA BizTown, employees usually divide their inventory into three groups, an equal number for each shopping period. For example, the sporting goods store may have three hats for sale, but only one hat will be sold during each shopping break. In this way, all citizens have an equal opportunity to purchase items that might otherwise “sell out” before all citizens have a shopping break.

SUMMING IT UP

Summarize the lesson by posing the following fill-in-the-blank statements:

- Setting the right ____________ is crucial because prices affect the revenue of a business. (price)
- Revenue must exceed ____________ to earn a profit. (costs)
- _______________ are affected by business costs and what consumers will pay. (prices)
- Highly desired—or “hot”—items can be priced a bit _____________.
- (higher)
- Businesses consider their _______________ when setting prices.
- (inventory)
- A business’s _______________, including salaries, rent, and utilities, must be paid by adding a portion of those expenses to the selling price of each good or service it offers. (operating costs)
Simulation Connection

When citizens set prices at JA BizTown, they are often given guidelines. However, they frequently set prices too low, given their businesses’ total operating costs. Remind them to think about setting prices in terms of earning enough money from sales to repay the business loan and make a profit. In most cases, prices of items should range from $3.00 to $7.00, depending on their popularity and the supply available. Citizens will have time and money to purchase only two to three products during their visit.

**OPTION**

Move on to Lesson 5, which begins on Page 62, or select an application activity to give citizens further practice and to reinforce concepts.

- Application Activity 1 explores the difference between wants and needs.
- Application Activity 2 provides more practice with operating costs and price setting.
- Extension Activity 1 is an inquiry-based exercise in price setting in a historical context.
- Extension Activity 2 presents information about identity theft.
APPLICATION ACTIVITY 1

Wants and Needs

MATERIALS

- Lined paper
- Colored pencils or crayons

1. Using a clean sheet of lined paper, citizens should list—without numbering them—five things they want.

2. Ask them, again without numbering, to list five things they could not do without. These should include things like food and water, shelter, and clothing.

3. Once the lists have been made, have citizens rank their choices using a color-coded system. (Some items may have more than one color.)
   - Use red to underline things that are needed for survival.
   - Use orange to underline things that improve their life.
   - Use yellow to underline things that make them feel comfortable or happy.
   - Use green for things they enjoy but could live without.

4. Inform the citizens they have a total of 1,000 value points and should assign those points depending on how much they value a particular want or need. Beginning with the most necessary items, underlined in red, and then working through to the green items, citizens should assign each item a number of value points. (Clean clothes might be 50 points while a new video game might be 200 points.)

5. Discuss the process and come to some conclusions. Most often, people will assign the highest value points to their wants and allocate less to their needs. When choosing what to spend money on in life, citizens should consider their needs first, and then put aside money to obtain those things they want. This process is similar to creating a **budget**, which is a plan for saving, spending, and managing money and other resources.
APPLICATION ACTIVITY 2

Business Costs and Profit

MATERIALS

- Illustration BizM-4C, My Business Costs
- Citizen Guides

1. Brainstorm with your class some costs of doing business, making a list on the board. (See list below for suggestions.)

2. Have citizens suggest resources that their businesses might buy and use and any other costs that would be necessary to operate their business.

3. Possible operating costs would be:
   - Advertising—$4.00, Getting the word out about the goods or services offered by the business.
   - Health care—$2.00, Providing insurance to prevent and treat illnesses among employees.
   - Philanthropy—$2.00, Donating money or services to increase the well-being of people in the community.
   - Professional services—$4.00, Using services offered by lawyers, insurance agents, and accountants.
   - Taxes—$5.00, Paying property taxes and payroll taxes.
   - Recycling and trash disposal—$2.00, Processing used materials and removing waste.
   - Rent—$8.00, Paying for the use of property.
   - Salaries—$8.00, Paying for the services of workers.
   - Supplies—$5.00, Buying materials to produce goods or supply services (capital resources).
   - Utilities—$7.00, Paying for phone, water, cable, and electric service.
   - Natural resources—$2.00, Purchasing materials from which goods will be manufactured.
4. Encourage citizens to assign the prices for these operating costs, writing those on the board as well. For your reference, a list of possible operating costs and prices can be found on Page 50.

5. Display Page 52, Illustration BizM-4C, My Business Costs, and ask citizens to turn to their Citizen Guides, Page 62. Explain that for number 1, they will choose seven business costs they brainstormed and write them on the lines. An eighth cost, taxes, is already shown. They will then imagine four goods or services that their business would offer. (An example answer key is on Page 53.)

6. Using the formula shown on the worksheet, have citizens divide the total operating cost by the total number of items for sale to determine the average price per item.

7. Have them:
   - Set an appropriate (higher) price on what they think will be “hot sellers” or for goods that require more resources than normal.
   - Set an appropriate (lower) price on less desirable or less costly goods.
   - Calculate the amount of revenue by multiplying the price for each item by the quantity to be sold.
   - Subtract the total operating cost from the revenue.

   The goal: Businesses’ revenue should exceed their costs so that a profit is earned.

8. Summarize the activity by allowing a few citizens to share their ideas and plans. Assist any who may be struggling to get their profit to exceed their cost.
MY BUSINESS COSTS

If you were to run a business, what costs would you have? What goods or services would you produce? What would you charge for those goods and services?

1. Using the list that your class brainstormed together, choose seven business costs. These are services or resources for which your business might need to pay. An eighth cost, taxes, has been done for you.

<table>
<thead>
<tr>
<th>Item</th>
<th>QTY</th>
<th>Price each</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td></td>
<td>$5.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating costs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Think of four goods or services your business would sell.

3. Divide your total operating cost by the total number of goods to find the average price per item.

4. Price what you think will be “hot sellers” or goods that require more resources above the average cost per item.

5. Price less desirable or less costly goods below the average cost per item.

6. Calculate the amount of revenue by multiplying the price for each item by the quantity, then add all the amounts.

7. Subtract the total operating cost from the revenue to be sure your business will earn a profit.

<table>
<thead>
<tr>
<th>Item</th>
<th>QTY</th>
<th>Price each</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total _______ = __________

Total revenue _______ - Total operating cost _______ = Profit _______

Divide your total operating cost by the number of goods you have to sell to determine the average price per item. Appropriately price your items so that your business would make a profit if all the goods and services were sold.
MY BUSINESS COSTS

If you were to run a business, what costs would you have? What goods or services would you produce? What would you charge for those goods and services?

1. Using the list that your class brainstormed together, choose seven business costs. These are services or resources for which your business might need to pay. An eighth cost, taxes, has been done for you.

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$5.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>$7.00</td>
</tr>
<tr>
<td>Advertising</td>
<td>$4.00</td>
</tr>
<tr>
<td>Recycling</td>
<td>$2.00</td>
</tr>
<tr>
<td>Supplies</td>
<td>$5.00</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>$2.00</td>
</tr>
<tr>
<td>Rent</td>
<td>$8.00</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$4.00</td>
</tr>
</tbody>
</table>

Total operating costs $37.00

2. Think of four goods or services your business would sell.

3. Divide your total operating cost by the total number of goods to find the average price per item.

4. Price what you think will be “hot sellers” or goods that require more resources above the average cost per item.

5. Price less desirable or less costly goods below the average cost per item.

6. Calculate the amount of revenue by multiplying the price for each item by the quantity, then add all the amounts.

7. Subtract the total operating cost from the revenue to be sure your business will earn a profit.

<table>
<thead>
<tr>
<th>Item</th>
<th>QTY</th>
<th>Price each</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flim Flam</td>
<td>6</td>
<td>$1.00</td>
<td>$6.00</td>
</tr>
<tr>
<td>Fuzzy Buddies</td>
<td>10</td>
<td>$1.25</td>
<td>$12.50</td>
</tr>
<tr>
<td>Thingy Ma Bobs</td>
<td>4</td>
<td>$2.00</td>
<td>$8.00</td>
</tr>
<tr>
<td>Doo Dads</td>
<td>20</td>
<td>$1.00</td>
<td>$20.00</td>
</tr>
</tbody>
</table>

Total $46.50 - Total operating cost $37.00 = Profit $9.50

Divide your total operating cost by the number of goods you have to sell to determine the average price per item. Appropriately price your items so that your business would make a profit if all the goods and services were sold.
EXTENSION ACTIVITY 1

History Connection—An Inquiry-Based Lesson

MATERIALS

- Computer with Internet access or history books and magazines
- Illustration BizM-4D, History Connection—Steps for Success

This inquiry-based lesson gives citizens an opportunity to find out more about how need and desire affect the pricing of goods, and how that has had an effect on history.

Ask, If an item is very popular or badly needed, how does that affect what people will pay for it?

1. Ask citizens if they or someone in their family has ever tried to purchase something that was not available. Tell them that sometimes a product is so highly sought after and so hard to get that suppliers can charge a price much higher than consumers would normally pay. (An example: very popular toys at Christmas. You may suggest some brand-name toys.)

2. Brainstorm about times in history when a good or service might have been limited and people were willing to pay a high price for what they needed or wanted. (An example: the exorbitantly priced supplies sold to gold miners during the California Gold Rush. Others: nylons during World War II; gasoline in the 1970s; PlayStation 2 in 2002.)

3. Citizens should use the Internet, history books and magazines, or other materials to research an item that was highly desired at some point in history and how that desire affected the price of the item. Display Page 55, Illustration BizM-4D, History Connection—Steps for Success, to help keep the researchers on track.

4. Citizens should:
   - Prepare a paragraph or visual aide showing how the need for the item came about.
   - Include a picture of the product.
   - Briefly report on their product or service and how consumers’ desire for it may have influenced the price of that good. They should include any other interesting facts about the product.
HISTORY CONNECTION—STEPS FOR SUCCESS

Think of a good or service whose price has changed noticeably over time or whose availability has affected its price in recent history.

Search the item and the word “history” to find an article with more details. For example, _______________________________ history.

Spend about ______ minutes looking for a good or service that fits this description.

Choose one that most interests you.

Open a document and copy and paste a picture of the good or service.

Your document should also contain the following:

- A catchy title.
- The name of the good or service.
- A short paragraph with a supporting statement and details.
- The price of the good now and when it was first sold.
- Any other important or unusual information about the good or service.

And don’t forget:

√ Check your spelling.
√ Use complete sentences with proper punctuation.
√ Put your name on the paper.
EXTENSION ACTIVITY 2

Identity Theft

MATERIALS

- Resource BizM-4E, Identity Theft One (make one or two copies for group one)
- Resource BizM-4F, Identity Theft Two (make one or two copies for group two)
- Illustration BizM-4G, Tips to Prevent Identity Theft
- Lined paper or notebooks
- Scratch paper and small paper bag or other container.

Now that citizens have explored the basics of spending money, they should be aware of the dangers of identity theft and Internet scams and the importance of keeping their personal information secure. In this role-play game, one team learns the steps to prevent identity theft while another team acts as a group of spies trying to steal those steps.

1. Write the names of several citizens or well-known faculty members (or famous people) on slips of paper and put them in a paper bag. Have a willing citizen draw out a slip of paper and act out or pantomime that character. Give the actor about a minute. Whichever citizen guesses the character (or was closest) gets the next turn to draw a name and act out a character. Play for about 5 minutes.

2. Say, “While this may be a funny game, in real life having someone steal your identity is not funny at all.”

3. Inform your class that identity theft is taking someone else’s personal information (such as their ID card number, Social Security number, bank account password, or debit card PIN number.) and using it for their own gain.

   - An impostor can use the stolen identity to open credit accounts or steal money from bank accounts.
   - Identity theft is a serious crime punishable with up to 15 years in a federal prison.
4. Announce that you are going to play a game for which you will need two teams. The teams will race to see who can write down the most identity theft prevention steps in 5 minutes. (In actuality, only one team will be writing down the steps given to them. The other team will be given information on ways to work as spies to uncover the theft-prevention information.)

5. Divide the class in half by numbering off in ones and twos, and have the groups go to separate sides of the room. Give half of the class Page 58, Resource BizM-4E, Identity Theft One. They will work individually or in pairs to write down the information. Give the other half of the class Page 59, Resource BizM-4F, Identity Theft Two. Have them follow the directions on the handout. (They will actually be learning ways to uncover the information from the other team.) After 5 minutes, call the class back to their seats. Appear distracted for 3-4 minutes to allow the “spies” to do their espionage work.

6. When you are ready, announce to the class that Team 2 (the spies) did not receive the identity theft information. Ask Team 2 to share some of the notes they were able to uncover from Team 1. Lead a discussion that reveals that citizens in Team 1 unknowingly gave away theft-prevention information to the identity thieves on Team 2. Some sample questions for the spies might be: How did you find out that identity thieves listen to conversations? Was it hard to be sneaky and listen in on conversations? Was it easy to get information that way? Ask the members of Team 1 if they were aware that Team 2 was trying to get their answers.

7. Inform citizens that just as Team 1 members were not aware that their information was being taken, people usually are not aware when their personal information is being stolen.

8. For the remainder of the class period, read through Page 60, BizM-4G, Tips to Prevent Identity Theft, either by giving small discussion groups the page and allowing them to talk it through or by displaying the Illustration and reading through the tips as a class.
IDENTITY THEFT ONE

**Directions:** Use lined paper to take notes on the following information. See how many of the main ideas you can write down in 5 minutes. Work alone or as a team.

Identity thieves can get your information by:

1. Going through your trash for bills or other documents containing your personal information.
2. Stealing your mail or wallet.
3. Stealing your credit card or debit card numbers by using “false fronts” attached to the front of ATM devices.
4. Listening to conversations you have in public.
5. Trickling you into giving them information by phone or email.
6. Obtaining your information on the Internet or from someone who stole it.
7. Stealing your information from a loan or credit application or from files or dumpsters of a hospital, bank, school, or business you have dealt with.
8. Hacking into your personal computer or phone equipment.
9. Accessing your personal information, such as your PIN number, using someone you know, such as a friend, relative, roommate, co-worker, or employee.

Source: California Department of Motor Vehicles
IDENTITY THEFT TWO

**Directions:** The other team will be copying theft-prevention information from their worksheet. Your team will be a group of spies working to get that information. It is your job to obtain that information from them without their knowledge.

See how many of the nine points you can discover by:

- Asking questions.
- Looking at someone’s paper.
- Taking a picture of their page.
- Listening to their conversations.
- Using other espionage techniques.

Be quiet! You do not want members of the other team to know you are after their answers.

In 5 minutes, the teacher will ask the class members to go back to their seats. Use your spy skills to get as many of the nine points from the other team as you can.

In the meantime, quietly discuss strategy with the other members of your group and act like you also are taking notes. You may work individually or team up with someone.
TIPS TO PREVENT IDENTITY THEFT

1. Be alert to impersonators.
   • Never give out personal information on the phone or through the Internet unless you know the person you are dealing with.
   • Phishing email messages, websites, and phone calls are designed to steal money by pretending to be from legitimate businesses. Malware (short for malicious software) is used to interrupt your computer, gather information, or gain entry into private systems.

2. Don’t overshare on social networking sites.
   • Never give out your address or telephone number on the Internet.
   • Cybercriminals also use social media to try to trick you to install malicious software or give out personal information.
   • Cybercriminals might email you, call you on the phone, or convince you to download something off of a website.

3. Keep financial documents and important papers locked in a safe place in your home or in a bank.
   • Limit the cards and documents you carry. Never carry your PIN number with your bank card.

4. Keep your browser secure.
   • Keep passwords private and use strong passwords with lots of different letters, numbers, and symbols. For example, “I want to see the Pacific Ocean” could become 1W2ctPO.
   • Never make financial transactions over the Internet without adult permission.
   • Always log out completely when using the Internet on public computers, such as those at libraries.

5. Remove information before discarding electronic devices.
   • Remove the memory card and all personal information from a mobile device before you dispose of it.
   • Before you get rid of your old computer, permanently erase your hard drive data or destroy your hard drive.
   • Use an e-waste facility to recycle your computer, laptop, and cell phones.
   • Be careful about discarding any items containing personal information.
Lesson 4

Budget
A plan for saving, spending, and managing money and other resources.

Inventory
Goods that a business has in stock to sell.

Selling price
The amount of money a buyer pays and a seller receives for the purchase of a good or service.
Lesson 5: The JA BizTown Visit

LESSON CONCEPTS

After many days of instruction and preparation, your class is ready for its visit to JA BizTown. Citizens will undergo on-the-job training and complete the activities and responsibilities required by their job positions.

Citizens will prepare their check registers and first deposits in preparation for their visit to JA BizTown.

LEARNING OBJECTIVES

Citizens will:

- Complete checkbook items needed for JA BizTown (first deposit ticket, savings account check, and checkbook register)
- Function in their job capacity at JA BizTown
- Manage their personal finances and time
- Carry out responsibilities of citizenship, such as voting and obeying laws

MATERIALS

- JA BizTown Checkbooks
- Completed BizPrep paperwork for each business
- Illustration BizM-5A, Completing Deposit Ticket
- Illustration BizM-5B, JA BizTown Daily Schedule

PREPARATION

1. Complete checkbook activity.

2. Review specifics of the JA BizTown daily schedule and related details, see the documents included in the Visit Information Tab of this Teacher Guide.
3. Remember to bring the following items to the simulation:

- BizPrep envelope paperwork for all businesses.
- JA BizTown Checkbook for each citizen
- Name tags for each student
- Sack lunches (if appropriate)
- Student medication as necessary (teachers must dispense medication while at JA BizTown).

4. A few things to remember while at JA BizTown:

- Encourage volunteers to allow citizens to do all the work within their businesses. Volunteers are their as advisers only.

- Be available during the breaks to assist citizens at the bank, making sure their bank paperwork is correct before they get in line to see the teller.

- You have worked hard to get your citizens ready for this day. Relax and enjoy their success.
**ACTIVITY**

**Preparing for the Visit**

1. Give a JA BizTown Checkbook to each citizen. Emphasize that these checkbooks are for their personal use at JA BizTown, not for paying business costs. Tell them they are to personalize the checkbooks by:
   - Writing their name and account number on the cover of their checkbook.
   - Writing their name and account number in the proper place on all deposit tickets and checks.

2. Ask citizens to return to their Citizen Guides, Page 29, JA BizTown Citizen Pledge. Tell them to cut out their voter registration cards and staple them to the back of their checkbooks. They will use these to vote at JA BizTown.

3. Explain that citizens will prepare two transactions in their personal checkbooks before they go to JA BizTown. When they receive their first paycheck and go to the bank, their first deposit ticket and their first check register entry must be completed.
   - There are three salary levels for employees at JA BizTown ($9.00, $8.50, $8.00). Citizens will receive two paychecks.
   - Taxes will affect how much net pay each citizen actually receives.

4. Explain that JA BizTown has a 2 percent payroll tax. Have citizens turn to their Citizen Guides, Page 64, Completing a Deposit Ticket, to follow along as you show Page 66, Illustration BizM-5A, Completing a Deposit Ticket. (The answer key is on Page 67.) Discuss the tax deduction for each salary level and compute net pay on the illustration.

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**Simulation Connection**

At JA BizTown, a 2 percent payroll tax will be deducted from each employee’s salary. Gross and net pay amounts are as follows:

<table>
<thead>
<tr>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9.00</td>
<td>$8.82</td>
</tr>
<tr>
<td>$8.50</td>
<td>$8.33</td>
</tr>
<tr>
<td>$8.00</td>
<td>$7.84</td>
</tr>
</tbody>
</table>
5. Explain that citizens will write checks or use debit cards for most things they purchase at JA BizTown. The Restaurant is the only business that accepts cash. The maximum amount of cash they may withdraw each time they deposit a paycheck is $2.00.

6. Complete the deposit ticket on Illustration BizM-5A (Answer Key on Page 67) for a salary of $9.00 by entering net pay ($8.82), less cash received ($2.00), and net deposit ($6.82).
   - Direct citizens to make the same entries in their Citizen Guides.
   - They should circle the net pay they will receive for their specific job under #1 on the page.

7. Tell citizens to complete their first deposit ticket in their checkbooks, using the net pay they circled.
   - They should not remove the deposit ticket.
   - They should ask for $2.00 (less cash received) when they make their first bank deposit.

8. Explain that all citizens will open a savings account at the JA BizTown Bank and set aside $1.50 (one time only). Tell citizens to write a check for $1.50 payable to the name of the JA BizTown bank.
   - They should not remove the check.
   - Enter these two transactions (deposit and check for savings account) into the check registers. Be certain all entries and math are accurate in the checkbooks.

9. When citizens are finished, tell business teams to put all checkbooks and paperwork into their BizPrep envelopes. Collect the envelopes.
COMPLETING A DEPOSIT TICKET

1. Complete the following table.

<table>
<thead>
<tr>
<th>Salary</th>
<th>2% Payroll Tax</th>
<th>Net Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9.00</td>
<td>– _____________</td>
<td>$ ______</td>
</tr>
<tr>
<td>$8.50</td>
<td>– _____________</td>
<td>$ ______</td>
</tr>
<tr>
<td>$8.00</td>
<td>– _____________</td>
<td>$ ______</td>
</tr>
</tbody>
</table>

2. Complete the following deposit ticket for an employee who has a $9.00 salary and wants to receive $2.00 in cash.

DEPOSIT TICKET

Name ____________________________

JA BizTown® Bank

Date 20 ____________________________

CASH: ________
CURRENCY: ________
COIN: ________

LIST CHECKS SINGLY ____________________________

SUBTOTAL: ________

LESS CASH RECEIVED: ________

NET DEPOSIT: $ ________

Acct.# 234 ____________________________

Signature required for cash received.

3. Circle one of the underlined words to complete each sentence:
   a. Payroll taxes on salary (gross pay) increase, decrease net pay.
   b. Net pay is greater than (>), less than (<) gross pay because of payroll taxes.

4. Circle the net pay for your JA BizTown job in #1 above.
COMPLETING A DEPOSIT TICKET

1. Complete the following table.

<table>
<thead>
<tr>
<th>Salary</th>
<th>2% Payroll Tax</th>
<th>Net Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9.00</td>
<td>.18</td>
<td>$8.82</td>
</tr>
<tr>
<td>$8.50</td>
<td>.17</td>
<td>$8.33</td>
</tr>
<tr>
<td>$8.00</td>
<td>.16</td>
<td>$7.84</td>
</tr>
</tbody>
</table>

2. Complete the following deposit ticket for an employee who has a $9.00 salary and wants to receive $2.00 in cash.

DEPOSIT TICKET

Name ____________________________________________

JA BizTown® Bank

Date 20

Deposits may not be available for immediate withdrawal.

Signature ____________________________________________

Signature required for cash received

CASH 0.00

CURRENCY 0.00

COIN 0.00

LIST CHECKS SINGLY 8.82

SUBTOTAL 8.82

LESS CASH RECEIVED 2.00

NET DEPOSIT 6.82

Acct.# 234

3. Circle one of the underlined words to complete each sentence:
   a. Payroll taxes on salary (gross pay) increase, decrease net pay.

   b. Net pay is greater than (>), less than (<) gross pay because of payroll taxes.

4. Circle the net pay for your JA BizTown job in #1 above.
SUMMING IT UP

- Display page 69, Illustration BizM-5B, JA BizTown Daily Schedule Sample. Read through the schedule with your class and answer any questions (or use the schedule provided by your local JA Area office).

- Direct citizens to verify that all items listed in the Citizen Guide, Page 67, Citizen Checklist, are complete. They should make you aware of any items on the list that need further work. (A copy is on page 70.)

- Have them remove the Family Newsletter, Page 69, from their Citizen Guide and take it home. (A copy is on Page 71.)

- An assessment is available on Pages 72 and 73, followed immediately by the answer key.

OPTION

This is the end of the pre-visit lessons. If desired, choose an application activity to give citizens further practice and to reinforce concepts.

- Application Activity 2 introduces radio and television jingles.
<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 Minutes</td>
<td><strong>Student Welcome/Orientation</strong></td>
<td></td>
</tr>
<tr>
<td>45 Minutes</td>
<td><strong>Business Start-Up</strong></td>
<td>• Staff meeting&lt;br&gt;• Business supplies purchased from Distribution Center&lt;br&gt;• Students read/review job responsibilities&lt;br&gt;• The Pledge of Allegiance&lt;br&gt;• Business loans processed at bank&lt;br&gt;• Price-setting&lt;br&gt;• Production of products and services</td>
</tr>
<tr>
<td>20 Minutes</td>
<td><strong>Opening Town Meeting</strong></td>
<td>• Introduction of Mayor and his/her speech highlighting importance of voting and Citizen of the Day Awards&lt;br&gt;• Business CEOs present a brief description of the products and/or services that they provide.</td>
</tr>
<tr>
<td>90 Minutes</td>
<td><strong>Employee Lunch Break Rotations (three sessions/30 minutes each)</strong></td>
<td>• First employee bank deposit&lt;br&gt;• Employee opens savings account&lt;br&gt;• Employee lunch session&lt;br&gt;• Retail businesses open for sales&lt;br&gt;• Employees begin to shop</td>
</tr>
<tr>
<td>10 Minutes</td>
<td><strong>Uninterrupted Staff Meeting (at each business)</strong></td>
<td></td>
</tr>
<tr>
<td>60 Minutes</td>
<td><strong>Employee Shopping Break Rotations (three sessions/20 minutes each)</strong></td>
<td>• Second employee bank deposit&lt;br&gt;• Employee shopping continues</td>
</tr>
<tr>
<td>15 Minutes</td>
<td><strong>Business Clean-Up</strong></td>
<td>• Business restored to original set-up&lt;br&gt;• Remaining inventory organized&lt;br&gt;• Students prepare for final staff meeting</td>
</tr>
<tr>
<td>15 Minutes</td>
<td><strong>Closing Town Meeting</strong></td>
<td>• Mayor speaks/thanks volunteers, etc.&lt;br&gt;• Citizen of the Day Awards presented&lt;br&gt;• Voting results reported&lt;br&gt;• End-of-Day Reports: various businesses report pertinent information</td>
</tr>
</tbody>
</table>

**Dismissal**
CITIZEN CHECKLIST

Name _______________________________________

This is a checklist of items you must complete before coming to JA BizTown. Write your initials next to each item you have finished. Any unfinished items need to be completed at school before you come to JA BizTown. Please see your teacher if you have questions or need time to finish.

1. I wrote my name and account number on each check in my personal checkbook. ____________

2. I wrote my name and account number on each deposit ticket in my personal checkbook. ____________

3. I completed my first deposit ticket for my payroll check and subtracted my cash back. ____________

4. I recorded my net deposit in my check register and calculated my new balance. ____________

5. I wrote my first check to the bank for $1.50 to open a savings account. ____________

6. I recorded my $1.50 check in my check register and calculated my new balance. ____________

7. I cut out my voter registration card and stapled it to the back of my checkbook cover. ____________

8. My checkbook and team paperwork have been placed in the BizPrep envelope and given to my teacher. ____________
PREPARATIONS FOR THE JA BIZTOWN VISIT

Your child just completed the Business Management unit in JA BizTown’s curriculum and should be getting excited about the upcoming visit to the Junior Achievement facility. This most recent unit focused on final preparations for the visit to the simulated community. By now, you should also have details about the visit so that you can share in your child’s excitement. The most recent lessons, which included Business Costs and Setting Prices, helped the students prepare for their roles in their businesses. And the Visit Preparation lesson helped students gain a better understanding about what will happen on the day of their visit.

All students—or citizens, as they are called in the program—have applied for and received jobs at JA BizTown. They have worked in their business teams, practicing the teamwork skills they explored in the previous unit. Teams spent time brainstorming the characteristics of good businesses and discussing “best practices” to help guide their efforts as they operate their own businesses at JA BizTown.

Some citizens were surprised by the many costs associated with running a business—among them, taxes, health care, advertising, salaries, rent, supplies, and utilities. At JA BizTown, business teams will apply for a business loan to cover these costs initially. Then, employees will seek to pay off the loan before returning to school. Citizens learned that a promissory note is a promise to repay a loan within a certain time period.

How will they pay off their loans? Most citizens will work in businesses that sell products (goods or services), so they will seek a selling price that can generate enough revenue to pay off the loans and allow for a profit. Sometimes it works, and sometimes it doesn’t. That is the heart of experiential-learning simulations such as JA BizTown. Students make choices and are able to live out the consequences in a safe environment. Be sure to ask your student if his or her business repaid its loan on time!

BizTalk!
Ask what “Check It Out!” means.

BizTalk!
Ask about your child’s job responsibilities.

BizTalk!
Ask about the advertisement your child’s team created, and share some of your favorite ads and slogans.
BUSINESS MANAGEMENT ASSESSMENT

Section One: Circle the answer or answers that best apply to the question.

1. Which of the following are business expenses?
   a. personal care
d. supplies
   b. advertising
   c. revenue

2. A new business is likely to need what bank services?
   a. balance
d. checking account
   b. salary
c. loan

3. Products that are “hot items” often will:
   a. remain constant
d. be worth less
   b. be priced higher
c. supply less

4. The revenue left over after paying business costs is called:
   a. profit
c. inventory
   b. gross balance
d. loss

Section Two: True or false?

5. Charging more for an item guarantees a higher profit.   T    F
6. A quality business follows a model of best practices.   T    F
7. Good advertising only tells people what they want to hear about a product.   T    F
8. Net pay is the amount of money a worker receives from an employer.   T    F

Section Three: Fill in the blanks

9. The money a business collects from sales is called ____________________.

10. Selling price is the amount of money a buyer pays and a seller ____________________ for a good or service.

11. To make a profit, a business’s revenue has to be ________________ than its costs.

12. The goods that a business has in stock to sell are called ________________.
13. As an employee of a business at JA BizTown, you will receive two paychecks and need to _______________________ them in the bank.

14. When depositing a check, it is important to ___________________ it.

15. Describe a good advertisement. ________________________________________
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

16. Why is teamwork important to a quality business?
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

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Section Three: Fill in the blanks

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10. Selling price is the amount of money a buyer pays and a seller ____receives or gets____ for a good or service.

11. To make a profit, a business’s revenue has to be _____greater_____ than its costs.

12. The goods that a business has in stock to sell are called ____inventory____.
13. As an employee of a business at JA BizTown, you will receive two paychecks and need to deposit them in the bank.

14. When depositing a check, it is important to endorse it.

15. Describe a good advertisement. grabs a buyer’s attention; holds a person’s interest; creates a desire for the product; prompts a person to buy the product.

16. Why is teamwork important to a quality business?

Employees who work together can help a business provide good customer service. It takes all employees to get the tasks done at JA BizTown for the business to be successful.