

## **Rich Kid Smart Kid Games**

### **Game One: Jesse's Ice Cream Stand**

**Topic: Profit**

**Grade Level: 6-8**

#### **Interactive Internet Game Activity**

Jesse is ready to open an ice cream stand and wants to sell his ice cream to earn money. An animated dialog between Jesse and his good friend Toki will introduce students to the game. Students must then help Jesse to maximize his profits by evaluating the best of three possible combinations of scoop size, price, and flavor with each flavor having a different cost.

#### **Learning Objectives**

- Evaluate size and price alternatives for maximizing profit
- Discover ways to earn money through business.
- Understand how to calculate profit using an income statement

#### **Assessments**

Students will: (1) evaluate the best price to scoop size combination for profit, (2) discuss business opportunities for teens, (3) calculate profit in a teen business income statement.

#### **Classroom Activities**

1. Profits: Earning Money the Business Owner Way - A descriptive overview of profit and how young teens can use business concepts to earn money. Give each student a copy, have them read it, then discuss.
2. Teen Profit Word Jumble – Students discover many ways to earn money in this thought provoking word activity. Students may work individually or in small groups. Instructor may wish to utilize this activity as individual/group for Part I and then group/class for Part II.
3. Cookie Accounting – A simple income statement leads the student to the amount of profit earned by a small cookie subscription business. Students should complete the activity using the bike example in the overview section.

#### **Class Discussion Questions**

What is profit?

Why is profit important?

What would happen if a company didn't make a profit?

Why do profits go up and down?

Do you think you could earn money with a lawn mowing business, a cookie business, or an ice cream business?

How does operating a business compare to working a part-time job?

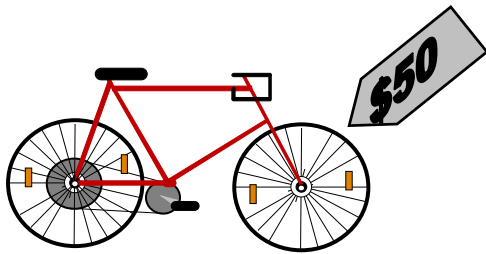
What are assets? What is cashflow?

## Overview

# Profits: Earning Money the Business Owner Way

If you are old enough to read this, you are old enough to earn money. Have you ever helped a neighbor, and the neighbor gave you some money? Or maybe you earn money by doing chores at home. Or maybe, and this is a good one, you earn money by making profit from a business. If you have already earned money by making profit, congratulations to you. If you have not, the best time to begin is now.

Profit is earned when you sell something for more than you paid. Here is an example. You can buy an old bike for \$15, fix it up for \$9, sell it for \$50, and make \$26 profit.



<b>Sales</b>		
	Bike	50.00
<b>Total Sales</b>		50.00
<b>Costs</b>		
	Bike	15.00
	Tires	4.00
	Paint	5.00
<b>Total Costs</b>		24.00
<b>Profit (Sales – Costs)</b>		\$26.00

There are many opportunities for a young person to start a business. Let's look at two examples.

**Lawn Mowing Business.** Each year there are thousands of young people who begin this business by using their parents lawn mower to earn money. Start small with a few customers and soon you will get more customers. Use some of your profits to buy your own lawn mowing equipment (assets), advertise, get more customers, and now it's time to hire a friend or two to work for you. Soon you realize that what began as a small way to earn some money is now a profit earning, positive cashflow business.

**Cookie Subscription Business.** You can begin by giving out samples of your cookies, and if people like them, ask them to buy a subscription. Weekly bake and deliver your cookies, monthly give out samples and sell more subscriptions, and soon you will need to hire people to help you bake and deliver. Your business grows, and you hire companies to work for you. The baker to bake the cookies with your recipe, the delivery service to deliver your cookies, and the marketing firm to sell your subscriptions. And the good part is that **you** earn money through profits or cashflow.

# Rich Kid, Smart Kid Games - Teen Profit Word Jumble

## ***I. Unscramble the letters to find different teen business opportunities.***

Sample: iatnp fsecne	Answer: paint fences
1. ngbkai	_____
2. acr whas	_____
3. etp ecra	_____
4. wlan ecar	_____
5. kema jweerly	_____
6. ealcn oposl	_____
7. grteegni carsd	_____
8. ortutngi	_____
9. erlcyce	_____
10. kieb rparie	_____

## ***II. Identify more opportunities you could use to earn money with profit.***

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

## Rich Kid, Smart Kid Games Cookie Accounting

Complete the Monthly Profit Statement to determine the profit for one month for Toki's Cookies (assume 4 weeks in a month).

- Toki sells cookie subscriptions for \$15.00 per month.
- Subscriptions are for a box of one dozen cookies delivered each week.
- She currently has 40 subscriptions, delivering 160 boxes of cookies per month.
- Each dozen cookies cost Toki \$1.00 in cookie dough.
- Delivery boxes cost 10 cents each.
- Toki advertises by giving out 20 dozen cookie samples each month (not in boxes).

<b>Toki's Cookies Profit for One Month</b>		
<b>Sales</b>		
	<b>Cookies</b>	<b>\$600.00</b>
<b>Total Sales (Cookies)</b>		
<b>Costs</b>		
	<b>Dough</b>	
	<b>Boxes</b>	<b>\$16.00</b>
	<b>Advertising</b>	
<b>Total Costs (Dough+Boxes+Adv)</b>		
<b>Profit (Total Sales – Total Costs)</b>		

How much profit does Toki's Cookies earn Toki each week?

## Answer Key Teen Profit Word Jumble

1. Baking
  2. Car Wash
  3. Pet Care
  4. Lawn Care
  5. Make Jewelry
  6. Clean Pools
  7. Greeting Cards
  8. Tutoring
  9. Recycle
  10. Bike Repair
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## Answer Key Cookie Accounting

Toki's Cookies Monthly Profit Statement		
<b>Sales</b>		
	<b>Cookies</b>	<b>600.00</b>
<b>Total Sales</b>		<b>600.00</b>
<b>Costs</b>		
	<b>Dough</b>	<b>160.00</b>
	<b>Boxes</b>	<b>16.00</b>
	<b>Advertising</b>	<b>20.00</b>
<b>Total Costs</b>		<b>196.00</b>
<b>Total Profits</b>		<b>404.00</b>

$$\$15 * 40 = \$600$$

$$\$1.00 * (40 * 4 \text{ wks}) = \$160$$

$$\$0.10 * (40 * 4 \text{ wks}) = \$16$$

$$\$1.00 * 20 = \$20$$

$$160 + 16 + 20 = 196$$

$$600 - 196 = 404$$

How much does Toki's Cookies earn Toki each week?

$$\$404 / 4 \text{ wks} = \$101 \text{ per week}$$

If Toki bakes the cookies in 4 hours, how much does she earn per hour?

$$\$101 \text{ per week} / 4 \text{ hrs} = \$25.25 \text{ per hour}$$