**Third Grade**

**Key Concept 7:**

**Our Economics System Lesson**

**Overview:**

This lesson is designed to introduce students to economics. It is a group business-creation activity. The lesson can be used to discuss natural and capital resources and how economics work in society as well as the purpose of banks all while introducing how economics work on a basic level that students can relate to and understand. The lesson is also infused with many Math topics and so can be checked off on your cross-curricular section on TESS evaluation!

**Materials Needed:**

* Student Packet
* Construction Paper or Printer Paper for student poster/flyer
* Drawing/Coloring Utensils for poster/flyer
* Optional-magazine pictures or printed pictures of products (if you did this, you will also need glue sticks and scissors)

**Key Vocabulary:**

Business Product Expense

Budget Advertisement Resources

**Objectives:**

C.2.3.4 Use deliberative processes when making decisions and acting upon civic problems in the classroom and school

E.4.3.2 Identify problems, alternatives, and trade-offs involved in making a decision

E.5.3.2 Articulate ways entrepreneurs and businesses organize human, natural, and capital resources to produce goods and services in Arkansas

E.5.3.3 Analyze economic factors in a market

E.6.3.1 Explain functions and characteristics of money in the United States

**Instructions:**

1. Make one copy of pages 1-5 of the packet.
2. Organize students into 5 groups, each group will get one business.
3. Make 5 copies of pages 6 on of the packet and staple into a packet. Each group will get a copy of this. (you could make one for each student and have every student fill it in if you wanted.
4. Each group will be given a business to begin.
5. Have students make a list of expenses. They will use the given information to estimate income and costs.
6. After students complete their project instructions, they will use the construction paper to create a flyer or a poster to advertise their business. They’ll use the worksheet to show their budget and their profit.
7. Be sure to check out Economics Arkansas for great resources and lesson plans for teaching economics at [www.economicsarkansas.org](http://www.economicsarkansas.org)!



You will begin a business selling cupcakes. Check off each step as you finish. You will:

 1. Name your business

 2. Decide how much your product will sell for

 3. Make a list of expenses your business will have

 4. Complete the budget worksheet

 5. Write a paragraph telling whether your business

succeeded or failed.

 6. Create a flyer and poster to advertise your

business.

You are starting your business with $200. You will sell about 10 cupcakes a day. You need flour ($20), eggs ($15), milk ($20), sugar ($20) and vanilla ($10) for the cupcakes. For the icing you need eggs ($15), powdered sugar ($20) and vanilla ($10). It will cost you

$50 to copy your flyers and posters.



You will begin a business selling cookies. Check off

each step as you finish. You will:

 1. Name your business

 2. Decide how much your product will sell for

 3. Make a list of expenses your business will have

 4. Complete the budget worksheet

 5. Write a paragraph telling whether your

business succeeded or failed.

 6. Create a flyer and poster to advertise your

business

You are starting your business with $150. You will sell about 10 cookies a day. You need flour ($20), eggs ($15), milk ($10), sugar ($20), chocolate chips ($15) and vanilla ($10) for the cookies. It will cost you $50 to copy your flyers and posters.



You will begin a business selling soft pretzels. Check off each step as you finish. You will:

 1. Name your business

 2. Decide how much your product will sell for

 3. Make a list of expenses your business will have

 4. Complete the budget worksheet

 5. Write a paragraph telling whether your

business succeeded or failed.

 6. Create a flyer and poster to advertise your

business

You are starting your business with $150. You will sell about 10 pretzels a day. You need flour ($20), yeast ($15), salt ($5), sugar ($15), vegetable oil ($15), eggs ($10) and baking soda ($10) for the pretzels. It will cost you $50 to copy your flyers and posters.



You will begin a business selling brownies. Check off each step as you finish. You will:

 1. Name your business

 2. Decide how much your product will sell for

 3. Make a list of expenses your business will have

 4. Complete the budget worksheet

 5. Write a paragraph telling whether your business

succeeded or failed.

 6. Create a flyer and poster to advertise your

business

You are starting your business with $175. You will sell about 10 brownies a day. You need flour ($20), butter ($15), salt ($5), sugar ($15), cocoa ($15), eggs ($10) and vanilla ($10) for the brownies. It will cost you $50 to copy your flyers and posters.



You will begin a business selling smoothies. Check off each step as you finish. You will:

 1. Name your business

 2. Decide how much your product will sell for

 3. Make a list of expenses your business will have

 4. Complete the budget worksheet

 5. Write a paragraph telling whether your

business succeeded or failed.

 6. Create a flyer and poster to advertise your

business

You are starting your business with $160. You will sell about 10 smoothies a day. You need pineapple juice ($30), strawberries ($25), mango ($20) and sorbet ($35) for the smoothies. It will cost you $50 to copy your flyers and posters.

Name of our business

Product

We are starting our business with $ .

Name of Expenses Amount

TOTAL EXPENSES

TOTAL AMOUNT LEFT OVER

Estimated income

We will sell about 10 per day. So, in

one week we will sell about 70. At the end of the week we

will have to buy all new ingredients to start over. Will we

have enough money? Let’s find out!

We will charge for each item. Use the space below to figure out how much money you would make if you sold 70.

TOTAL ESTIMATED INCOME

Use the numbers from the other 2 worksheets to complete your budget.

TOTAL AMOUNT LEFT OVER TOTAL ESTIMATED INCOME + EQUALS

This is the amount you will have at the end of the week. Do you have enough to cover your expenses when making your products for next week?

YES or NO

If you answered no, then your business failed. If you answered yes, then your business is a success! Write a paragraph about whether or not your business succeeded or failed and why. What could you have done differently?