



2014 ENTREPRENEURIAL FAIR

Teacher Packet

**MURRAY STATE UNIVERSITY**

**Center for Economic Education**

**Where:** Caldwell County Cooperative Extension

1025 U. S. Hwy. 62W

Princeton, KY 42445

**When:** April 11, 2014 (10:30 am – 1:30 pm)

**Who:** Students in Grades 4 – 6 in Western Kentucky

**Murray State Entrepreneurial Fair Prizes**

**Student Pre-Application**

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Grade \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

School \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

School Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Provide a brief description of your business plan. (If you change plans, let your teacher know.) (50 words or less). \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Advisor/Teacher Name** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Advisor/Teacher – Please collect the students’ **Pre-Application Forms** and give to the teacher or Fair Coordinator at your school.

**Needed Information**

**Send the following information concerning the MSU Entrepreneurial Fair to**

**Todd Broker by mail or electronically by March 28, 2014**

*Mail*: Attn: Todd Broker

Murray State University

307 Business Building

Murray, KY 42071

*Email*: **msu.econed@murraystate.edu**

**Name of school that will participate in the Murray State Entrepreneurial Fair**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Address of School \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Phone Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Grade levels that will participate in Fair\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Estimated number of students that will participate\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Name of Fair Coordinator \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**E-mail address of Coordinator \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Principal’s Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**This information will let us know the approximate number of schools and students**

**Participating in the MSU Entrepreneurial Fair.**

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**Student Application**

2014 ENTREPRENEURIAL FAIR

**MURRAY STATE UNIVERSITY**

**Center for Economic Education**

**Where:** Caldwell County Cooperative Extension

1025 U. S. Hwy. 62W

Princeton, KY 42445

**When:** April 11, 2014

**Who:** Students in Grades 4 – 6 in Western Kentucky

**Please type or print legibly the information requested below:**

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Grade\_\_\_\_\_\_\_\_\_

Name of Business \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Check Category: \_\_\_\_ Proprietorship \_\_\_\_ Partnership

Does your business have a franchise? \_\_\_\_ Yes \_\_\_\_ No

Partner’s Name(s) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

School \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

School Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Zip \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

A table will be provided for your display. You must supply all other supplies and equipment. Do you need electricity? \_\_\_ Yes \_\_\_No

**I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, affirm that this project is my original work.**

 **(Student Signature)**

Teacher/Advisor Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Principal’s Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Spring 2014

Murray State University Center for Economic Education

Entrepreneurial Fair Competition

Grades 4 -12

***Judges Scoring Sheet***

## Judge Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Contestant Number: \_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Items to Evaluate** | Below**Average** | **Average** | **Good** | **Excellent** | **Category****Overall Score** |
| **DISPLAY PRESENTATION:**  | **0** | **1** | **2** | **3** |  |
| * **Appearance & Effectiveness of Display**
 |  |  |  |  |  |
| * **Presentation of Product Packaging**
 |  |  |  |  |  |
| * **Student Monitoring of Display**
 |  |  |  |  |  |
| * **Organizational Skills**
 |  |  |  |  |  |
| * **Use of Technology**
 |  |  |  |  |  |
| **ORAL PRESENTATION** |  **0** |  **1** | **2** | **3** |  |
| * **Presentation Skills**
 |  |  |  |  |  |
| * **Correct Usage of Economic Terms**
 |  |  |  |  |  |
| * **Effectiveness of Presenting Product**
 |  |  |  |  |  |
| * **Response to Judges’ Questions**
 |  |  |  |  |  |
| * **Students Exhibit Confidence**
 |  |  |  |  |  |
| **WRITTEN FORMS**  |  **0** |  **1** | **2** | **3** |  |
|  **Resume and Application (All Students)**  **(Forms 9-2 & 9-3)** |  |  |  |  |  |
| * **\*Business Plan (9-4) with Partnership Form(9-1), Loan and Rent Applications,(Forms 9-10 &11) if used in plan**
 |  |  |  |  |  |
| * **\*Resource and Cost Form (9-5)\***
 |  |  |  |  |  |
| * **\*Market Survey with Graph\***

**(Forms 9-7, 9-8, & 9-9)** |  |  |  |  |  |
| * **\*Marketing-Advertising Form (9-6) and samples of Advertisements\***
 |  |  |  |  |  |
| * **\*Projected or Actual Profit Forms**

 **(Forms 9-12 9-13, & 9-14)** |  |  |  |  |  |
| **\* One Per Business****TOTAL POINTS** |  |

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Spring 2014

Murray State University Center for Economic Education

Entrepreneurial Fair Competition

Grades 4 -12

***Questions for Judges***

1. Why do you want to be an entrepreneur?

2. What are your qualifications for operating this business?

3. Does your business sell a good or service? Describe the good or service.

4. Who will be your consumers?

5. How did you decide to sell this produce?

6. What are your responsibilities for this business?

7. How did you finance the start of your business?

8. What resources do you need to operate this business? (Which resources are

natural, human, and capital?

9. What is the cost of the resources for your business? Per product or service?

10. How did you decide the price to charge for your product or service?

11. How much revenue did you take in? Or, what is your projected revenue?”

12. How much profit did you make? Or, how much profit do you project to make?

13. How have you advertised your business? Or, describe your marketing plan.

14. Do you want to become an entrepreneur when you are an adult? Why?

15. What did you enjoy the most about being an entrepreneur?

16. What did you enjoy the least about being an entrepreneur?

Pre/Post Test for Economics and Entrepreneurship

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part I**

1. **Directions**: Fill in the blanks with the best answer. Use the words below. No word is used twice. Some words are not used at all.

dividend risk opportunity cost markets good

supply service demand producer criteria

entrepreneur consumers interest capital profit

employees wage surplus managers interest

Businesses produce things that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_want. A thing that a

business produces that you can touch is called a\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

When a business does something for you, it provides a\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a person who takes a risk to organize and start a business.

The main goal of this person is to earn a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Businesses are not always successful. This shows that there is always\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

involved when starting a business.

Anyone starting a business must make many decisions, including what to produce. The

important things one must consider when making a decision are called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Anytime a decision is made there are always alternatives that are

not chosen. The best alternative not chosen is the\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Part II**

1. The three basic kinds of **productive resources** are:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Directions**: In the blanks in the left column below write the names of four **productive resources** used by the barber shown in the picture. In the blanks in the right column identify the basic kind of resources (use your answers in question Part II, Question #1.)

![MCj01981790000[1]]()

Name of Productive Resource Kind of Productive Resource

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part III**

1. Circle the things below that are costs of running a business.

wages rent revenues interest on loans

profits materials stock equipment

2. What is profit?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part IV**

1. Below are the results of a market survey Mrs. Green's class took. The class is selling cookies.

**Price Number of Cookies People Would Buy**

$1.00 5

$ .75 10

$ .50 30

$ .25 90

Using the results of the market survey, graph the demand for cookies.

Demand for Cookies

Price

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
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|  |  |  |  |  |  |

 1.25

 1.00

 0.75

 0.50

 0.25

0 20 40 60 80 100

 Number of Cookies People Will Buy

2. What would be the **sales revenues** at a price of $ .50?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. At what price would **sales revenues** be the **greatest**?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. What does the **Law of Demand** tell us?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part V**

**Directions**: Fill in the blanks with the best answer. Use the words below. No word is used twice.

Some words are not used at all.

business savings corporation employees firm

savings account loan equity profits

managers partnership stock interest

sole proprietorship shortage surplus cost

purchasers investors borrowers dividends

Businesses have several types of ownership. A business that is owned by one person is a

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. A business owned by at least two persons

is a\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. A business owned by many stockholders

is a\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Businesses hire \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_to work and earn wages.

Individuals hired by businesses to help run the business and to make important decisions are

called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Businesses must raise money to start or operate a business. To do this, some businesses issue

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Some businesses borrow money from the

bank by taking out a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ They must pay the

bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for borrowing the money. Businesses

also can use past \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to get money to expand

the business.

Businesses often pay \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to individuals who have

purchased stock in the business.

**Part VI**

**Directions**: Below is the final accounting information about Mrs. Green's class's cookie business.

Sales Revenues $ 230

Cost of Materials $ 25

Costs of Labor $ 30

Costs of Buying Tools $ 15

Interest on Loan $ 5

1. What **accounting profit** did the class show?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part VII**

1. What is the difference between unit production and assembly line production?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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2. Why is labor productivity greater on an assembly line than with unit production?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Part VIII**

Directions: Fill the blanks with the best answer. Use the words below. No word is used twice.

Some words are not used at all.

supply capital shortage marketing efficiency

demand produce costs dividends scarcity

promotion advertising surplus packaging purchasing

Everything that a business does to get products to the consumer is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Businesses use \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to provide information to consumers in order

to increase the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for their products. Businesses make their

products attractive to the consumer by using special \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ . A

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is a special activity to get consumers interested in a product.

If a business charges a price that is much too high there will be a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

of products. If a business charges a price that is much too low there will be a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

of products.

**Part IX**

1. What is **opportunity cost**?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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2. Explain how a business has to consider **opportunity cost** when making a decision **what** is produced. Give an example in your explanation.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Pre/Post Test for Economics and Entrepreneurship**

**TEST ANSWERS**

**Part I**

consumers, good, service, entrepreneur, profit, risk, criteria, opportunity cost

**Part II**

1. Land (natural resources), Labor (human resources), capital

2. Name of possible:

Productive Resource Kind of Resource

Barber labor

barber chair capital

water land

clippers capital

building capital

scissors capital

Students may notice other resources.

**Part III**

1. Wages, rent, materials, interest on loans, equipment

2. Profit is the money left over after subtracting costs (business expenses) from sales revenues (income).

**Part IV**

Number of Cookies People Will Buy

Demand for Cookies

Price

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
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|  |  |  |  |  |  |

 1.25

 1.00

 0.75

 0.50

 0.25

0 20 40 60 80 100

 Number of Cookies People Will Buy

2. .50x30 =$15.00

3. .25 (since .25 x 90 = $22.50)

4. The Law of Demand tells us that people will buy less as the price of a product rises, and will buy more as the price of a product falls.

**PartV**

Sole proprietorship, partnership, corporation, employees, managers, stock, loan, interest, business savings (or profits), dividends.

**Part VI**

Profit equals sales revenues minus total costs. Therefore, profit equals $230 - $75 = $155. (In this question only explicit accounting costs are computed. The value of foregone opportunity costs is not considered.)

**Part VII**

1. In unit production one worker basically produces the complete product. In an assembly line, workers specialize and divide the labor, each worker repeating one specific task.

2. Because workers specialize and divide the labor, they can produce more per hour. Specializing allows workers to concentrate on one specific task.

**Part VIII**

marketing, advertising, demand, packaging, promotion, surplus, shortage

**Part IX**

1. Opportunity cost is the value of the best alternative when making a decision. That is, it is the value of your next best choice.

2. Businesses must consider opportunity cost because there are many different uses for productive resources. If a business uses these resources to produce one product it cannot use them to produce another. For example, a building used to produce pizzas cannot be used as a bicycle repair shop. If these were the best uses for the building, then using the building for a bicycle repair shop is the opportunity cost of a decision to open a pizza restaurant.