

Create Your Own Business – An Economics Project

Sixth Grade MERIT Social Studies

Step One – Entrepreneurship - You must first decide what kind of business you will open.

What will you do? Will you have a manufacturing business that makes a product? Will you provide a service such as a lawyer's office? If you decide to open a restaurant, what kind of restaurant will it be? Are you going to sell goods in a store? Will you specialize?

What is the name of your business? How will the name of your business bring in customers?

Where will your business be located? How does the location, climate, and natural resources of your area affect your business? Will you need to get supplies from other businesses?

Step Two – Capital Goods - Once you have decided what kind of business you will be opening, your first issue is a building. Every business must go somewhere! Briefly describe what kind of building you will need (one/two paragraphs).

Using a piece of white paper and a ruler, draw the layout of your business. Please include office space, bathrooms, employee break rooms, etc. Think about your business and what you need – example: Hair salons will need wash stations, additional chair stations, etc.

Step Three – Human Capital - Once you have created your building, you must now focus on your employees.

You must have at least one employee (yourself) but for this assignment no more than 10. List out the employees you need – example: manager, waitress, dish washer, cook. Beside the title, write a brief description of what that employee must do. What will you expect?

After writing their job descriptions, reflect on what they are required to do. How will they be trained? Will they come to you already knowing what to do? Do they require a specific license or certificate? Other jobs may require on the job training.

If you don't take care of your employees, other business will. How will you keep your employees happy? Will you offer extra benefits? Will you offer bonuses? Will you offer insurance/health care? Will you offer vacation time/sick leave? How much money will your employees make? Remember - the more training/education you require, the more you will be expected to pay.

Step Four – Capital Goods/Investment - You now have a building and employees. What you do not have is supplies and equipment to start your business!

List any and all supplies you will need. Think about the goods you are selling (your inventory/capital) and the supplies you will need (paper, computers, pens, etc) With of these will be a one time purchase (stove) and which will you need to continue to purchase (flour).

Step Five –Consumers - Create an advertisement for your business.

How will you get people to come into your store? Grand opening special, sales, free items, samples – most businesses have some way to get you into the business and then hope you spend more money. Please make it colorful enough to attract attention, but not so busy that you can't read it. You will complete this part of your project at home.

Step Six – Opening! Opening a business takes considerable risk. Before serving the first customer, you will have already spent a great deal of money. Look back over your list of supplies and your building. Come up with an estimate of how much money it will take to open.

Most people don't have this kind of money sitting around. Therefore you must borrow it from a bank. If, however, your business is not successful, and you have to close down, you are still responsible for the money you borrowed. Write a paragraph explaining what you would do in the event your business is not successful. How will you repay the bank for this money? Would the prospect of failure be enough to change your mind about opening up your own business?

Step Seven – GDP – Helping your community.

How has your business helped the location around it? Did you give previously unemployed workers jobs? Did your business bring in more tax money for the community? How did your business help increase the GDP of the country you are in? How is your business interdependent on other businesses?

Step Eight – Expanding!

Assuming your business has been very successful, how can you know expand? Will you open more stores, offices, etc? Will you bring in more goods to sell? If you, as the owner, decide to upgrade your equipment in order to increase your output, what would happen to your income? How would this increase your production?

Step Nine – Summary

There are many risks associated with being an entrepreneur. However, the possible rewards are much greater. Given the opportunity to become an entrepreneur, would you? Explain. If you would prefer to work for someone, and not take those risks, explain why.

Step Ten – Responsibility!

You will receive credit for turning in all parts to this project on time. The due date is Thursday, September 27.

Steps	Completed/Turned in on time	Not completed/Not turned in
One - Entrepreneurship		
Two – Capital Goods/Building		
Three – Human Capital		
Four – Capital Goods/Supply		
Five - Consumers		
Six – Opening!		
Seven - GDP		
Eight - Expanding		
Nine - Summary		
Ten – Responsibility		

