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3. Business Basics

You deal with a variety of businesses every day, though you may not analyze them. There are a few basics which can be applied across all businesses. Think in terms of the following three questions:

1. Does the business sell products or services?
2. Who buys the business’ products or services?
3. How does the business sell its products or services?

The answers to these questions will help you understand the basic environment of any business.

Products or Services

Products

Every company sells something. Some sell physical objects – products. In the digital world, some of these “physical” products are not always something we can touch.

Some companies manufacture the products they sell. Some of these products are finished goods, and some are components or materials sold to another manufacturer.

Other companies resell goods made by someone else. These could be retailers, selling goods to the end user, or distributors, “middle men” buying and selling goods on a discounted wholesale basis to other companies who resell the goods.

Services

Other businesses sell services, not goods. Services include professionals and trades people, like lawyers, accountants, electricians, plumbers, and many more who sell their expertise. Airlines, car rental companies, shipping companies, and delivery services also sell services. Other types of service companies include hair salons, health clubs, spas, golf courses, and many more.

Because service companies do not sell physical goods, there are rarely distributors for services. The service companies almost always sell their services directly to the users.


Markets and Customers

Marketing is sometimes described as:

Selling the right **product (or service)**

. . . to the right **people**

. . . at the right **price**

. . . at the right **place**

. . . with the right **promotion**

. . . at the right **time**.

Part of being successful means that you must learn about which people or organizations might buy your product or service, and why. This information will help you refine the product attributes to suit potential customers, price appropriately, sell your products in the best places, select appropriate advertising, and bring your products to the market at the right time.

For example, how successful do you think you would be if you were trying to sell:

Christmas Trees ....... to Buddhist monks in India ....... for $500 each .......
delivered to Los Angeles ....... advertised in Italian ....... in June?

This obviously won’t work at all — everything is wrong with this marketing approach!

**Market (People)**

A market is all the people who might buy your product (or service) either from you or from a competitor. A market can be broken down into smaller groups of similar potential buyers, called market segments. Market segments might be set up by geographic region, by age, gender, economic status, language, family status, or many other descriptive groupings which will help you develop advertising and sales programs to reach these various groups of potential customers.

**Customer Types**

A market doesn’t buy your products — people, your customers, do. The most basic types of potential customers and customers are broken down into:

- **Individuals:** People who buy goods and services for themselves or for a friend or family member. These types of customers are called consumers or retail customers.

- **Businesses:** People who buy goods and services for use in an organization, either to make their own products or to help their business operate. These organizations include companies, governments, schools, hospitals, and other organizations. These are business customers, and they have different reasons for buying than individual users, and often buy in large quantities.
GoVenture®
Entrepreneur Board Game
Education Bundle

Instructor Guide

Learning Guides and Activities
Instructor Edition

Learning Guides and Activities
Student Edition

Test Bank

Worksheets
Entrepreneur
Board Game
Instructor Guide
Using GoVenture in Your Learning Environment
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GoVenture®
Entrepreneur Board Game
Instructor Guide

Using GoVenture in Your Learning Environment

1. Welcome

This Instructor Guide is provided to help you use MediaSpark’s GoVenture Entrepreneur Board Game in your classroom or computer lab. If you are not already familiar with the award-winning GoVenture educational games and simulations, we invite you to visit the GoVenture website at www.goventure.net or to contact us at 1-800-331-2282.

An electronic version of this document is also available on the GoVenture website.
2. About GoVenture Entrepreneur

Learn the basics of business while enjoying an exciting board game!

The GoVenture Entrepreneur Board Game combines the best of your favorite board games into a business context where you run your own business and compete, collaborate, and negotiate with other players.

Game play is designed to recreate the real-life thrills and challenges of entrepreneurship in a fun and educational social learning experience.

Activities are expertly designed to enable you to experience the true challenges of entrepreneurship, while at the same time, provide an engaging and experiential group learning opportunity.

Unlike books, courses, seminars, or common “opoly” style business games, GoVenture brings learning to life. The board game format enables a type of group learning which may be difficult to capture using role-playing exercises or software-based business simulations.

As part of your course curriculum, GoVenture quickly grabs students’ attention and holds it for the duration of the session. Before long, they’re discussing strategies and making major business and life-altering decisions, both independently and on a collaborative basis.

Activities Include:

- Buying, Pricing and Selling Products (called “Gwidgets”)
- Managing Employees
- Interacting with other players through question and answer, drawing, charades, trivia, word puzzles, and more.
- Balancing work and life
- Investing in Product Quality and Marketing (Brand)
- Managing Cash Flow
- Negotiating with other players
- Preparation of Balance Sheet, Profit and Loss statements, Accounting General Journal and Accounting Ledger (optional)
- and more!
3. What Makes GoVenture Unique

GoVenture is unlike any other board game you’ve ever played. It combines many of the more common game features with totally new activities and places them all together in a virtual business setting. While you’re having fun and enjoying the interaction with other players, you are learning valuable business skills that you can carry with you for life.

You’ll start your own business selling Gwidgets, which could be any product you can imagine. You make business decisions such as how much you’ll charge for each Gwidget, whether they’ll be produced at low, medium or high quality; invest in marketing to improve brand, decide how many employees you’ll require and what lifestyle you want to lead while running your business.

During a single sitting, you’ll pay rent, meet customers, pay your employees, invest in marketing, pay taxes, and make any other business decisions just like you would in the real world. Prompted by Challenge cards which you come across regularly during board play, you’ll act out certain scenarios for other players, draw objects for them to guess their meaning and answer thought-provoking questions, all while progressing around the playing board.

GoVenture is unique for a number of important reasons:

- **Fun and educational**
  GoVenture is expertly designed to be both fun and educational. Every activity is carefully selected to provide a specific learning outcome, while not compromising the entertainment value of the overall experience.

- **Variety**
  Many board games have players doing the same activity repeatedly. GoVenture merges activities from popular games so players have a variety that keeps interest level high. In any single session you’ll be required to act out subjects as you would with Charades, solve word puzzles, answer trivia questions, draw, solve definitions, and answer riddles.

- **No waiting**
  In GoVenture every player participates in every turn. Players remain engaged in the game because they don’t find themselves “waiting for their turn.”

- **Collaborative**
  Unlike many board games which require minimal interaction between players, GoVenture constantly has players interacting, collaborating, and competing. This approach leverages the benefits of group dynamics to create a positive social learning experience.

- **Positive competition**
  Many board games encourage zero-sum competition, meaning each player wants to win while hoping others lose. Competition can be healthy and motivating, but it can also create negative feelings if not structured carefully. In GoVenture, players want to win, but instead of hoping others lose they are encouraged to
want everyone to succeed. This approach uses the positive benefits of competition while eliminating the negative social consequences.

**Everyone feels good**
Unlike many games which may leave some players feeling inadequate, GoVenture is designed to make players feel good about the game and themselves. While it is possible to go bankrupt, the experience itself remains positive and provides the opportunity to continually improve.

**Easy to play but has depth**
Many board games have to compromise between ease of play and strategy. GoVenture is designed to be quick and easy to play, yet have a high level of long term and repeat playability. Startup instructions are very brief, as are the entire game instructions. Many Challenge cards are designed to be open ended, with no specific answer, so they can be played repeatedly. Game play and strategy reveals itself as you play so players increasingly focus on different aspects of the game the longer they play.

**For youth and adults.**
Many board games tend to be focused on a specific age group. GoVenture is designed to be playable for ages 12 to adult, including mixed ages and experience levels.

**GoVenture educational games and simulations enable “learning-by-doing”, an approach that cognitive scientists have identified as the fastest and most effective way for human beings to learn.** Like other GoVenture products, the GoVenture Entrepreneur Board Game immerses the learner in a highly interactive environment in such rewarding ways that learners feel intellectually and emotionally engaged in the experience — as if they were personally living it.

**GoVenture is designed as a tool for youth and adults, to be used as a learning program on its own, or to complement other learning materials, courses, programs, and curricula.** It can provide a valuable learning opportunity for two people or an entire class, within a single hour of use — or over an extended period of time. The educational foundation and ease of integration in the classroom and curriculum make GoVenture the first choice among learners who are in the early stages of learning about business, as well as educators and trainers who are providing basic business training.
4. GoVenture for You

**Education**

GoVenture has been designed to be suitable for a variety of instructional approaches and levels and offers a successful and valuable experience for instructors and learners, from middle school to adult education.

**Life Skills Training**

GoVenture helps develop a number of necessary skills for success in the fast-paced Knowledge Economy, including: planning, just-in-time learning, problem solving, organization, critical thinking, and risk management. GoVenture Entrepreneur addresses life skills training directly by immersing learners in a simulated world of experience that transcends the limitations of traditional teaching and learning approaches.

Unlike conventional educational materials, games and Internet portals, GoVenture offers a comprehensive learning experience and is combined with a wide range of learning resources for quick and easy integration into self-directed or facilitated learning environments.

**Business Service Centers**

Good business managers and successful owners are not "born" — they must be trained in a number of business, management, and interpersonal skills. Would-be business people need to experience the thrills and challenges of running a business before they do so in the real world. GoVenture provides the experience necessary to gain valuable knowledge in starting and running a business without the risk of failure. Learn about accounting, finance, marketing, human resources, inventory management, and a wide range of life skills.

**Banking and Financial Services**

Small business owners can pose a significant service challenge to financial institutions. In many cases, they require a great deal of attention to the point where small business can be the least profitable segment of the commercial market. Nonetheless, they constitute a market that cannot be ignored. Financial institutions can provide startup businesses with a successful and valuable experience by directing them to GoVenture or by directing their own employees to GoVenture as a customer empathy tool.

**Corporate Business Training**

Training impacts the success of an organization at all levels. In order for employees to play a proactive role, they must have a strong understanding of the overall business model. By playing the role of the CEO or manager, GoVenture enables employees to gain a high level of understanding and empathy not possible using conventional training approaches. With a raised level of understanding, a multitude of benefits follows – increased performance, morale, loyalty, opportunity, and success.
5. GoVenture Resources

GoVenture educational versions include the following resources:

**Board Game**
An easy and fun way to learn the basics of running your own business while playing a fast-paced, one-of-a-kind board game.

**Experiencing Entrepreneurship — An Illustrated Introduction to Entrepreneurship**
A concise, easy-to-read illustrated guide that outlines the basics of game play in a summary format. For you and your students, this guide complements GoVenture Entrepreneur by serving as a valuable resource throughout your course or program.

**Instruction Sheet**
Instructions to help guide game play.

**Instructor Guide (this document)**
A guide to help you learn about GoVenture and the various resources that are available for using GoVenture in the classroom or in a business or life skills training environment.

**Success Worksheet**
Measure your financial success by calculating equity. The highest number wins.

**Financial Report Worksheet**
Not necessary for game play, but can be useful for learning and practice. Allows students to complete Balance Sheet and Profit and Loss statement for their businesses.

**Accounting Journal and Accounting Ledger Worksheets**
Not necessary for game play, but can be useful for learning and practice. Allows students to practice accounting basics with their businesses.

**Learning Guides and Activities Workbooks — Instructor and Student Editions**
Lessons and activities designed to bring business basics alive in the classroom, and help students better understand the decisions that need to be made while playing GoVenture.

**GoVenture.NETwork — www.goventure.net**
A free website containing a wealth of business tools, activities, games, and collaboration opportunities for you and your students.

**GoVenture Live the Learning**
A free newsletter to help educators and facilitators bring business to life!
6. Getting Started

What You Need to Play GoVenture

Other than pen and paper, all you need to play GoVenture is the time and a desire to play in a fun, educational business environment. Everything else is included. Simply open the box, read the brief instructions, and start playing.

Approach

The following approach is recommended to help you and your students get started with GoVenture:

1. Browse through all of the resources that are provided with GoVenture to get a better understanding of how everything works.

2. Review the Getting Started document.

3. Explore the playing board to become familiar with the decisions that need to be made and see what obstacles you’ll encounter during play. GoVenture is designed to be easy to use and to allow you to begin play within a few minutes. The strategy of the game will reveal itself as you play. Some students may try to determine the best strategy early on, while others will wait to see what develops. Either approach is acceptable. After one round of play, students will begin to discover how their own business strategy is affected by other players, and vice versa. They will also understand the importance of cash flow, inventory management, pricing, and other factors.

4. Begin playing!

Continue to play for as long as you like.
7. GoVenture and Your Curriculum

Learning Outcomes

GoVenture helps students gain knowledge and skills in entrepreneurship, business, finance, marketing, communication (verbal and non-verbal), observation, negotiation, planning, economics, critical thinking, analysis, decision making, mental arithmetic, and more!

Primary outcomes include:

- Product Pricing
- Product Quality
- Inventory Purchase
- Inventory Management
- Employees/Staffing
- Money Management
- Cost-Profit Relationship
- Financial Planning
- Cash Flow Management
- Debt Financing and Servicing
- Equity Financing
- Accounting – Bookkeeping Ledger and Journal
- Accounting – Balance Sheet and Profit & Loss Statement
- Mental Arithmetic
- Economics – Supply and Demand
- Economics – Competition
- Customer Psychographics
- Business Strategy
- Marketing Product, Price, Place, Promotion
- Marketing – Brand
- Monitoring Competition
- Business Ownership
- Risk Management
- Balancing Work and Life
- Leadership
- Organization
- Analysis
- Critical Thinking
- Decision Making
- Negotiating Skills
- Verbal Communication
- Non-verbal Communication
- Observation
- Drawing

Possible Approaches

GoVenture is an interactive group board game designed to supplement and enhance your existing course, program, or curriculum. You may choose to use GoVenture at the beginning of a course, at the end of a course, or throughout an entire term.
Using GoVenture at the Beginning of a Course

By using GoVenture at the beginning of a course, students immediately gain "hands-on" experience in the issues involved, and the decisions that need to be made while running a business. This experience provides them with considerably more insight into what they need to learn and why, making them more likely to participate in class discussion and to ask insightful questions. It’s a great way to gently introduce students to the world of business in a fun way.

Using GoVenture at the End of a Course

By using GoVenture at the end of a course, students can apply the knowledge, lessons, and techniques they have learned throughout your course to a fun, simulated business setting. GoVenture Entrepreneur provides students with the opportunity to gain experience and to make the important connection between business theory and practice.

Using GoVenture Throughout a Course

Using GoVenture throughout a course allows students to apply the information and concepts you are teaching in class as they’re being taught. Throughout your course, students can continually use GoVenture to experience and experiment with the knowledge they are gaining.

Choosing what is right for you depends upon the amount of time you have available to include GoVenture in your curriculum, and your desire to use the many resources that are available.

Time Required

GoVenture is designed to be easy to use and to allow you to begin play within a few minutes. The strategy of the game will reveal itself as you play. The first round of play will generally take 40 – 60 minutes, while students become comfortable with the game. Subsequent rounds will likely move quicker. You can play as many rounds as you like – the more you play, the more strategic the game becomes and the greater learning value provided. But if you only have limited time, GoVenture is designed to provide a fun learning experience with only a single round of play. (One round equals one month in business and is completed when the playing piece returns to the Start space.)

Saving and Resuming Games

GoVenture can be played in a single sitting or over multiple sittings. To resume play in the future, be sure to record the following:

<table>
<thead>
<tr>
<th>For each Player/Business</th>
<th>For the Game</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Gwidgets in the supply</td>
</tr>
<tr>
<td>Debt</td>
<td>Position of the playing piece</td>
</tr>
<tr>
<td>Gwidgets on hand</td>
<td></td>
</tr>
<tr>
<td>Price, Quality, Brand, Employees, Lifestyle</td>
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</tr>
</tbody>
</table>
Every Game is Different

No two games will be exactly the same in GoVenture. Player strategies will affect each other. Challenge cards vary, and many are designed to be open ended with no specific answers, so they can be played repeatedly. Every session presents different challenges requiring creative solutions. Game play and strategy reveals itself as you play so players increasingly focus on different aspects of the game the longer they play.

8. Facilitated and Self-Directed Learning

GoVenture is designed to be used in facilitated and/or self-directed learning environments. Students can dive in on their own, exploring and discovering the GoVenture game with no supervision, or can be directed step-by-step through the stop-and-start which allows for discussion during each scenario.

9. Individual and Group Learning

GoVenture can be used for individual or group learning.

Students can run their own businesses and make all of the necessary decisions. For group learning, students can work together to make decisions. Up to two students per business is recommended, otherwise it might be difficult to surround the game board.

10. Evaluating Success

Use the Success Worksheet to record and evaluate student success at the end of every round (month). The Success Worksheet evaluates business Equity, which is equal to Assets minus Liabilities.

You may also use the provided learning guides and activities, test bank, and accounting worksheets to supplement student evaluation.
11. We Want to Hear from You!

At MediaSpark, we are committed to providing our customers with the best support in the business! We make every effort to design easy to use programs and games that provide trouble-free use. However, difficulties may still arise, and we are here to help. Toll free telephone, email, and fax assistance is readily available. We will call you back promptly, and stay with you until all of your issues are resolved. Our primary goal is to provide you and your students with a successful GoVenture experience.

We invite you to stop by the GoVenture website often, to learn about new features and products.

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GoVenture Entrepreneur
Learning Guides and Activities

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Overview
In this activity, learners will learn the mathematical relationship between price, product cost of goods, inventory on-hand, and profit.

Outcomes
Upon completion of this activity, learners should be able to:
1. Discuss the issues involved in pricing a product.
2. Explain the difference between Cost Plus Pricing and Market Pricing.
4. Calculate sales revenue, gross profit and net profit.

Skill Level
Middle School — High School — Adult

Preparation
Background Information:

*Experiencing Entrepreneurship: Products and Inventory*

Procedure
Summary
Instruct learners to answer the questions and follow the procedures as outlined on the Student Edition activity sheet.
Questions and Answers

About Pricing and Products

Once you decide what products your business will sell, you must decide the price of each product. The price is how much money customers pay you for the product.

When selling products, the price is what you charge people to buy one Gwidget. This may be $1, $10, $20, $30, or any price you set. You decide what price to charge.

The price you set should be higher than your cost to purchase a product, otherwise you will lose money. Your cost to make or purchase a product is called the “Cost of Goods.”

There are two types of pricing: Cost Plus Pricing and Market Pricing.

Cost Plus Pricing

Cost Plus Pricing means you add up all the costs to make and sell the product. Then you add an extra “plus” for profit.

For example, if a product costs you $5 to buy, then you should set the price of your products higher than $5. Otherwise, you will lose money.

When determining your product cost, you must also remember to consider other business costs, such as investments in marketing, quality, and overall business operations costs. If you do not take these additional costs into account, you may not make enough money to stay in business.

1. A product costs you $5 to purchase. You invest, on average, $2 to improve the quality of the product, $2 for marketing, and $1 to cover other expenses. What is your total cost for the Gwidget?

   $5 + $2 + $2 + $1 = $10

2. If the total cost of a product is $10, and you want to sell the product at cost plus 100% markup, at what price should you sell the product?

   $20

Market Pricing

With Market Pricing, you price your products according to what you think people are willing to pay. The price of your product should be higher than the cost of what you paid for the inventory items that you purchased to make the product.

For example, if a product costs you $5 and you think customers will pay you $25, then you can set the price up to $25.
3. A product costs you $10. Market research shows that there are several competitors selling a similar product for between $20 - $30. What is the highest price at which you should sell the product?

$30

4. A product costs you $20. Market research shows that there are no similar products on the market, and that customers may be willing to pay up to $50 for such a product. What is the highest price at which you should sell the product?

$50

**Inventory**

Inventory is the number of products you have on-hand and ready to sell to customers.

1. You have 100 products in inventory. You price each product at $5. How much revenue can you generate by selling all of the products?

   \[ 100 \times 5 = 500 \]

2. You have 100 products in inventory. You want to generate $5,000 in sales revenue with this inventory. At what price must you sell each product?

   \[ 5,000 \div 100 = 50 \]

**Profit**

In order for your business to survive, it must make more money than it costs to run. Otherwise the business will go bankrupt. Profits are determined by subtracting expenses from sales revenue. If the result is positive, it is called a profit. If it is negative, it is a loss.

**Gross Profit** is sales revenue minus the cost of goods. **Net Profit** is sales revenue minus all expenses, not just the cost of goods.

3. You have 100 products in inventory, which cost you $2,000 to purchase. You price each product at $30. How much sales revenue can you generate by selling all of the products?

   \[ 100 \times 30 = 3,000 \text{ Revenue} \]

4. In the example above, how much gross profit can you generate?

   \[ 3,000 - 2,000 = 1,000 \text{ Gross Profit} \]

5. You have 100 products in inventory, which cost you $2,000 to purchase. You purchase another 200 products at $3,000. You price each product at $30. How much sales revenue can you generate by selling all of the products?
(100 + 200) x $30 = $9,000 Revenue

6. **In the example above, how much gross profit can you generate?**

   $9,000 – $2,000 – $3,000 = $4,000 Gross Profit

7. **If you want to generate $4,000 in sales revenue, and want to sell products at $20 each, how many products do you need to have in inventory?**

   $4,000 ÷ $20 = 200 Products

8. **If you want to generate $4,000 in gross profit, and your cost of goods is $10 per product, how many products do you need to sell at a price of $50?**

   $4,000 ÷ ($50 - $10) = 100 Products

9. **If you generate $5,000 in gross profit, and your business operations costs, excluding cost of goods, are $3,000, what is your net profit?**

   $5,000 - $3,000 = $2,000 Net Profit

10. **If sales revenue is $10,000, and your business operations costs are $3,000, and cost of goods, are $6,000, what is your net profit?**

    $10,000 - $3,000 - $6,000 = $1,000 Net Profit
Products, Pricing, and Profit
Relating Price, Profit, and Inventory

YOUR NAME: ____________________________________________

DUE DATE: ____________________  

SCORE

Overview
In this activity, you will learn the mathematical relationship between price, product cost of goods, inventory on-hand, and profit.

Outcomes
Upon completion of this activity, you should be able to:

- Discuss the issues involved in pricing a product.
- Explain the difference between Cost Plus Pricing and Market Pricing.
- Price products using Cost Plus Pricing and Market Pricing.
- Calculate sales revenue, gross profit and net profit.

Procedure
Review any material provided by your instructor. Then answer the following questions.
Questions

About Pricing and Products

Once you decide what products your business will sell, you must decide the price of each product. The price is how much money customers pay you for the product.

When selling products, the price is what you charge people to buy one Gwidget. This may be $1, $10, $20, $30, or any price you set. You decide what price to charge.

The price you set should be higher than your cost to purchase a product, otherwise you will lose money. Your cost to make or purchase a product is called the “Cost of Goods.”

There are two types of pricing: Cost Plus Pricing and Market Pricing.

Cost Plus Pricing

Cost Plus Pricing means you add up all the costs to make and sell the product. Then you add an extra “plus” for profit.

For example, if a product costs you $5 to buy, then you should set the price of your products higher than $5. Otherwise, you will lose money.

When determining your product cost, you must also remember to consider other business costs, such as investments in marketing, quality, and overall business operations costs. If you do not take these additional costs into account, you may not make enough money to stay in business.

1. A product costs you $5 to purchase. You invest, on average, $2 to improve the quality of the product, $2 for marketing, and $1 to cover other expenses. What is your total cost for the Gwidget?

2. If the total cost of a product is $10, and you want to sell the product at cost plus 100% markup, at what price should you sell the product?
Market Pricing

With Market Pricing, you price your products according to what you think people are willing to pay. The price of your product should be higher than the cost of what you paid for the inventory items that you purchased to make the product.

For example, if a product costs you $5 and you think customers will pay you $25, then you can set the price up to $25.

3. A product costs you $10. Market research shows that there are several competitors selling a similar product for between $20 - $30. What is the highest price at which you should sell the product?

__________________________________________________________________________

4. A product costs you $20. Market research shows that there are no similar products on the market, and that customers may be willing to pay up to $50 for such a product. What is the highest price at which you should sell the product?

__________________________________________________________________________

Inventory

Inventory is the number of products you have on-hand and ready to sell to customers.

1. You have 100 products in inventory. You price each product at $5. How much revenue can you generate by selling all of the products?

__________________________________________________________________________

2. You have 100 products in inventory. You want to generate $5,000 in sales revenue with this inventory. At what price must you sell each product?

__________________________________________________________________________
Profit

In order for your business to survive, it must make more money than it costs to run. Otherwise the business will go bankrupt. Profits are determined by subtracting expenses from sales revenue. If the result is positive, it is called a profit. If it is negative, it is a loss.

Gross Profit is sales revenue minus the cost of goods. Net Profit is sales revenue minus all expenses, not just the cost of goods.

3. You have 100 products in inventory, which cost you $2,000 to purchase. You price each product at $30. How much sales revenue can you generate by selling all of the products?

____________________________________________________

4. In the example above, how much gross profit can you generate?

____________________________________________________

5. You have 100 products in inventory, which cost you $2,000 to purchase. You purchase another 200 products at $3,000. You price each product at $30. How much sales revenue can you generate by selling all of the products?

____________________________________________________

6. In the example above, how much gross profit can you generate?

____________________________________________________

7. If you want to generate $4,000 in sales revenue, and want to sell products at $20 each, how many products do you need to have in inventory?

____________________________________________________

8. If you want to generate $4,000 in gross profit, and your cost of goods is $10 per product, how many products do you need to sell at a price of $50?

____________________________________________________

9. If you generate $5,000 in gross profit, and your business operations costs, excluding cost of goods, are $3,000, what is your net profit?

____________________________________________________

10. If sales revenue is $10,000, and your business operations costs are $3,000, and cost of goods, are $6,000, what is your net profit?

____________________________________________________
GoVenture® Entrepreneur Test Bank

Questions are arranged by subject matter groups, and the related areas within the GoVenture Experiencing Entrepreneurship guide are indicated for each question. Please select the questions most appropriate for your learners.

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GoVenture Entrepreneur Test Bank

Being an Entrepreneur

Refer to: GoVenture Experiencing Entrepreneurship: Being an Entrepreneur

1. What is an entrepreneur?
   a. A person who takes things between.
   b. A person who doesn’t take any risks.
   c. A person manages and assumes the risks of a business.
   d. A person who always succeeds.

2. Which of the following reasons is NOT a reason that a person might have for starting and running a business?
   a. Being your own boss
   b. Setting your own work schedule
   c. Being part of something you own
   d. Taking orders from supervisors
   e. Gaining financial freedom

3. What personality traits do you consider desirable or undesirable for an entrepreneur? Indicate “D” for Desirable or “U” for Undesirable in the blank next to each item below:
   a. __D__ They must be able to think for themselves.
   b. __D__ They should be self-motivated and work well on their own.
   c. __U__ They believe that their future is controlled by others.
   d. __D__ They should be a very hard worker who likes to learn from all experiences, both successful and unsuccessful.
   e. __U__ They are afraid to take chances, and are more comfortable having the security of a regular paycheck.
   f. __D__ They should be very good at problem solving.
   g. __U__ They are happiest when somebody else is telling them what to do.
   h. __D__ They like to lead when they see an opportunity, but they can also be very good team players when working with other people.
   i. __D__ They understand the difference between risk management and risk taking.
   j. __U__ They cannot deal with stress.
GoVenture Entrepreneur Test Bank

Being an Entrepreneur

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   i. __D__ They understand the difference between risk management and risk taking.
   j. __U__ They cannot deal with stress.
GoVenture Success

Measure financial success by calculating Equity. Highest wins.

<table>
<thead>
<tr>
<th>Month</th>
<th>Business</th>
<th>Cash + Gwidgets $5 − Debt = Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
# Financial Report

(Not needed for the game but can be used for learning and practice.)

## Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>Month and Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Gwidgets x $5 (or price paid)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Liabilities                      |                    |
|----------------------------------|                    |
| **Debt**                         |                    |

| Equity                           |                    |
|----------------------------------|                    |
| **Stock**                        |                    |
| **Retained Earnings**            |                    |
| **Total Liab. & Equity**         |                    |

Total Assets should equal Total Liabilities & Equity.

Stock is the cash received from sale of stock/shares.

Retained Earnings is the running total of Profit(Loss) over the life of the business.

## Profit & Loss Statement

<table>
<thead>
<tr>
<th>Income</th>
<th>Month and Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gwidget Sales</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total (Gross) Income</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Cost of Goods                    |                    |
|----------------------------------|                    |
| **Gwidgets (sold & expired) X Price Paid** | |
| **Net Income**                   | *(Total Income - Cost of Goods)* |

| Expenses                         |                    |
|----------------------------------|                    |
| **Rent**                         |                    |
| **Employee Payroll**             |                    |
| **Marketing**                    |                    |
| **Quality**                      |                    |
| **Interest**                     |                    |
| **Taxes**                        |                    |
| **Other**                        |                    |
| **Total Expenses**               |                    |

**Profit (Loss)** *(Net Income - Total Expenses)*

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The Accounting Journal (often called the General Journal) is a list of all financial transactions as they happen.

To record a financial transaction, enter the Month, the Account and Explanation, and the amount as a Debit or Credit.

When increasing an Asset account, enter as a Debit. When decreasing an Asset account, enter as a Credit.

When increasing a Liability account, enter as a Credit. When decreasing a Liability account, enter as a Debit.

With double-entry accounting, every financial transaction must have at least two balancing entries. This means that the total Debits must equal total Credits.

Example:

<table>
<thead>
<tr>
<th>Month</th>
<th>Account and Explanation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rent Expense</td>
<td>$3,000</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Cash</td>
<td>$3,000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cash - Sales</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Gwidgets Sales</td>
<td>$5,000</td>
<td></td>
</tr>
</tbody>
</table>
The Accounting Ledger (often called the General Ledger) is a list of all accounts with their financial transactions.

See Accounting Journal for additional information.

<table>
<thead>
<tr>
<th>Cash</th>
<th>Gwidge Sales</th>
<th>Debt</th>
<th>Rent</th>
<th>Employee Payroll</th>
<th>Marketing</th>
<th>Taxes</th>
<th>Quality</th>
<th>Interest</th>
<th>Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>Explanation</td>
<td>Debit</td>
<td>Credit</td>
<td>Balance</td>
<td>Debit</td>
<td>Credit</td>
<td>Balance</td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>0</td>
<td>Investment</td>
<td>$10,000</td>
<td>$10,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>Buy Gwidgets</td>
<td>$10,000</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>Startup Loan</td>
<td>$25,000</td>
<td>$25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>