



Starting a Business 5: Managing Finances

Scheme of Work

	Lesson 1	Lesson 2	Lesson 3
Length	Approx. 1 hour	Approx. 1 hour	Approx. 1 hour
Objectives	<ul style="list-style-type: none">• To define different financial forecasts.• To calculate an optimum price and sales to achieve a set sales revenue.• To calculate a sales revenue for a chosen product/service.	<ul style="list-style-type: none">• To define net and gross profit.• To calculate net profit for a chosen product/service.	<ul style="list-style-type: none">• To identify upfront costs of a chosen product/service.• To produce and present a financial proposition.

Lesson plans for each session can be found on the following pages.

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Lesson 1 plan

<p>Starter activity</p> <p>Students suggest which well-known companies they think have been most profitable recently. As a class, they compare the cost of their products/services as well as how long the business has been around for.</p>	<p>Learning objectives</p> <ul style="list-style-type: none"> • To define different financial forecasts. • To calculate an optimum price and sales to achieve a set sales revenue. • To calculate a sales revenue for a chosen product/service.
<p>Main activities</p> <p>In their own time, students watch the first 2mins 35sec of the video on Step 1.3 of the course, making notes on financial forecasts. The teacher then gives them some time to finalise their notes and ensure they have their own definition for each of the three key terms.</p> <p>In small groups, students discuss the optimum combination of price per unit and number of sales to achieve a sales revenue of £100 at the cake fair. Each group splits up to create a new group made of one representative from each of the other groups. Each person declares what their original group decided and discusses why they chose it.</p> <p>In pairs, students select a product or service they want to sell (this will be used in the next lessons too). They should decide how much to charge and how many they expect to sell in a set timeframe or at a particular event (which they must specify). They can research the cost of similar products/services currently available on the market to guide them.</p>	<p>Resources required</p> <ol style="list-style-type: none"> 1. Access to FutureLearn course. 2. Devices to watch video on and conduct research with. 3. Calculators. <p>Assessment for Learning</p> <p>Summary notes.</p> <p>Contributions to discussion.</p> <p>Calculated sales revenue.</p> <p>Differentiation</p> <p>SEND: Video has subtitles, Teacher-led support.</p> <p>Low ability: Peer-learning.</p> <p>Gifted and Talented: Peer-teaching.</p> <p>Plenary</p> <p>Students begin to design a financial proposition for their chosen product/service business that could be used to pitch to investors.</p>

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Lesson 2 plan

Starter activity	Learning objectives
Students compare the terms 'net' and 'gross' in financial contexts such that they can write down clear definitions in their own words.	<ul style="list-style-type: none"> To define net and gross profit. To calculate net profit for a chosen product/service.
Main activities	Resources required
<p>In their own time, students watch between 2min 37sec and 5mins 26sec of the video on Step 1.3 of the course.</p> <p>In the pairs created in the previous lesson, students try to identify all the possible costs associated with selling each of their chosen product/service. This should be used to calculate an estimated gross and net profit for the timeframe or event analysed in the previous lesson.</p> <p>Students then swap partners and critique each other's calculation – offering additional costs not yet identified, and changing estimations associated with each.</p> <p>Student return to their pairs and discuss what they've recalculated. They should add their net profit to their financial proposition.</p>	<ol style="list-style-type: none"> Access to FutureLearn course. Devices to watch video on and conduct research with. Calculators. <p>Assessment for Learning</p> <p>Summary notes.</p> <p>Discussion contribution.</p> <p>Net profit calculation.</p> <p>Differentiation</p> <p>SEND: Video has subtitles, Teacher-led support.</p> <p>Low ability: Peer-learning.</p> <p>Gifted and Talented: Peer-teaching.</p> <p>Plenary</p> <p>Each pair should decide if they would change the price they would charge for their product/service based on the costs they've identified.</p>

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Lesson 3 plan

Starter activity	Learning objectives
<p>Students brainstorm the different ways they can make a business (of any kind) more profitable. These can be added to the board by the teacher or by students as sticky-notes.</p>	<ul style="list-style-type: none"> • To identify upfront costs of a chosen product/service. • To produce and present a financial proposition.
Main activities	Resources required
<p>In their own time, students watch between 5mins 27sec and 7mins 45sec of the video on Step 1.3 of the course, making notes on cashflow.</p> <p>In their pairs, students identify other fixed costs or upfront costs associated with starting their business up before they can make their first sale. They can research the costs to guide their estimation.</p> <p>They then add their upfront costs to their financial proposition, recalculating their profits as appropriate. Each student should now have a final copy of their financial proposition.</p> <p>The class is split in half, so that each pair is separated. One half is designated the 'investor', whilst the other is the 'entrepreneur'. Each entrepreneur will pitch their financial proposition to one investor (not from their own pair). The investor must decide if they would be willing to give the entrepreneur money towards the upfront and/or ongoing costs of the business.</p> <p>The roles are then swapped so that the entrepreneurs are now the investors and vice versa. They then repeat the previous task.</p> <p>The class can continue to swap partners as many times as the remaining lesson time allows.</p>	<ol style="list-style-type: none"> 1. Access to FutureLearn course. 2. Sticky notes. 3. Devices to watch video on and conduct research with. 4. Calculators. <p>Assessment for Learning</p> <p>Summary notes. Recalculated profits. Financial proposition.</p> <p>Differentiation</p> <p>SEND: Video has subtitles, teacher-led support.</p> <p>Low ability: Peer-learning.</p> <p>Gifted and Talented: Peer-teaching</p> <p>Plenary</p> <p>Students write down the three most important things they've learnt over the last three lessons.</p>