

Lesson Plan CE-Oh!
Module 8: Business Expenses

<p>Class Description</p>	<p>This is the eighth module in the CE-Oh! Be Your Own Boss series. Learners have created a solid vision of the type of business they would like to create and have looked at the market and competition. In this module, we turn our attention to the financial aspects of running a business starting with expenses.</p>
<p>Objectives</p>	<ul style="list-style-type: none"> ● Examine and categorize common business expenses into categories including fixed and variable expenses, depreciation, cost of goods or services sold ● Understand contribution margins and how they interact with variable expenses ● Use EOU to determine profit or loss of goods or services sold ● Apply break-even analysis ● Describe ways to manage ongoing business expenses
<p>National Entrepreneurship Standards Standards</p>	<p>F.14 Describe the concept of economies of scale F.23 Assess factors affecting a business's profit G.03 Describe the resources of income (wages/salaries, interest, rent, dividends, transfer payments, etc.) G.06 Explain the time value of money I.13 Explain the nature of overhead/operating expenses L.34 Explain factors affecting pricing decisions L.37 Set prices L.38 Adjust prices to maximize profitability</p>
<p>National Entrepreneurship Standards: Career Competencies Standards</p>	<p>Critical thinking and problem solving</p>
<p>Common Career Technical Core Standards Overview Standards</p>	<p>BM.1 Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision-making in business BM.3 Explore, develop and apply strategies for ensuring a successful business career BM-MGT.5 Plan, monitor, manage and maintain the use of financial resources to ensure a business's financial wellbeing BM-OP.4 Plan, monitor and manage day-to-day business activities to maintain and improve operational functions</p>

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Vocabulary	Break-even analysis Break-even point Break-even units Burn rate Cash flow Cash flow statement Commission Contribution margin Cost of goods sold (COGS) Cost of services sold (COSS) Cost Structure Cyclical Depreciation	Depreciation expense Disposal value Economy of scale Expense Fixed expense Labor Salary Salvage value Straight line method of depreciation Unit of sale Variable expense Volume discount
Prior to Class	Learners will have participated in all previous modules of this course. Learners will have identified a viable business opportunity to create and apply their learning to.	
Links and Materials	Terms and Definitions PDF Sample Contribution Margin Worksheet PDF and XLS Sample EOU Worksheets PDF and XLS	
Delivery Method	e-Learning	
Duration	60 min	

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Lesson 1: Types of Expenses

Learners will be able to Will Be Able To (LWBAT): Differentiate between fixed and variable expenses.

Activity: Learner will be provided with a discussion of the different types of expenses incurred by a business with real-world examples.

Activity: Learner will answer 1 of 1 knowledge check questions correctly (Knowledge Check Question 1).

Lesson 2: Contribution Margins

LWBAT: Understand contribution margins and how they interact with variable expenses.

Activity: Learner will be presented with a definition of and mathematical formula for finding the contribution margin of a good or service (slide 11), with examples of how we calculate the contribution module (subtract variable expenses from the selling price of a good or service).

Activity: Learner will answer 1 of 1 knowledge check questions correctly (Knowledge Check Question 3).

Lesson 3: Determining Profit or Loss

LWBAT: Use EOU to determine profit or loss of goods or services sold

Activity: Learners will be provided with a sample EOU worksheet they can use to calculate their own cost structure for a product or service they may offer (slide 13).

Activity: Learner will answer 1 of 1 knowledge check questions correctly (Knowledge Check Question 4).

Lesson 4: Cash Flow

LWBAT: Track incoming and outgoing money for a business using a cash flow analysis

Activity: Learners will be introduced to the concepts of cash flow and cash flow statements, as well as provided with a sample worksheet with instructions they can use for their own business.

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Activity: Learner will answer 2 of 2 knowledge check questions correctly (Knowledge Check Question 5 and 6).

Knowledge and Check Reflection

LWBAT: Answer 5 out of 5 review questions correctly

Activity: Knowledge Check – 5 questions

Activity: Compare and contrast the Learner's definition at the beginning of the module with the answer they provide at the end of the module.