

Lesson Plan CEOh!
Module 10: Financing Your Business

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| <p>Class Description</p> | <p>This is the tenth 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 in the most recent learned about business expenses. In this lesson, we will continue to focus on finance by learning about revenues.</p> |
| <p>Objectives</p> | <ul style="list-style-type: none"> ● Estimate the start-up investment needed given a scenario ● Explain ROI and how to calculate it ● List ways to obtain investments to start a business |
| <p>National Entrepreneurship Standards Standards</p> | <p>A.17 Distinguish between debt and equity financing for venture creation A.18 Describe processes used to acquire adequate financial resources for venture creation/start-up A.19 Select sources to finance venture creation/start-up A.21 Describe considerations in selecting capital resources A.22 Acquire capital resources needed for the venture G.07 Describe costs associated with credit G.10 Describe services provided by financial institutions G.11 Explain legal responsibilities of financial institutions G.12 Explain costs associated with use of financial services I.12 Describe use of credit bureaus I.14 Determine financing needed to start a business I.15 Determine risks associated with obtaining business credit I.15 Determine risks associated with obtaining business credit I.16 Explain sources of financial assistance I.17 Explain loan evaluation criteria used by lending institutions I.18 Select sources of business loans</p> |
| <p>National Entrepreneurship Standards: Career Competencies Standards</p> | <p>Comfort with Risk</p> |
| <p>Common Career Technical Core Standards</p> | <p>BM.1 Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision-making in business</p> |

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| Overview Standards | BM.2 Describe laws, rules and regulations as they apply to effective business operations. |
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| Vocabulary | Angel investors Bank to debt ratio Bootstrapping Collateral Convertible notes Co-signer Credit union Debt financing | Emergency fund Equity financing Payback Reserve for fixed expenses Return on investment Start-up costs Start-up investment Venture capital |
| 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 | Contracts and Agreements Best Practices PDF Terms and Definitions PDF Venture Capital List PDF | |
| Delivery Method | e-Learning | |
| Duration | 60 min | |

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Lesson 1: Start-Up Investment

Learners will be able to Will Be Able To (LWBAT): Estimate the start-up investment needed given a scenario.

Activity: Learner will be provided with an overview of start-up costs as well as startup finance best practices (the things they should have in place financially when starting a business such as emergency funds, reserve for fixed expenses, etc.).

Activity: Learner will be presented with the information needed to identify the amount of money needed to predict their first-year revenues based on research of their costs and potential net profit

Activity: Learner will answer 3 of 3 knowledge check questions correctly (Knowledge Check Questions 1, 2, and 3)

Lesson 2: Return on Investment (ROI)

LWBAT: Understand ROI and learn how to calculate it.

Activity: Learner will be provided with the formula needed to calculate ROI and identify their “break even” point (slide 10)

Activity: Learner will answer 2 of 2 knowledge check questions correctly (Knowledge Check Question 4 and 5).

Lesson 3: Ways to Generate Startup Investment

LWBAT: List ways to obtain investments to start a business

Activity: Learners will be provided with an explanation of the advantages and disadvantages of various sources of startup funding

Activity: Learner will answer 1 of 1 knowledge check questions correctly (Knowledge Check Question 6).

Knowledge Check and Reflection

LWBAT: Answer 6 out of 6 review questions correctly

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Activity: Knowledge Check – 6 questions

Activity: Learner will list the one-time purchases, monthly costs they anticipate for their businesses as part of their reflection exercise. Learner will identify what they believe will be the easiest and hardest ways to finance their business as part of their reflection.

Activity: Learners will research investors and create a plan for funding their startup as part of independent practice

NOTE: The learner is not prompted to provide the instructor with this document. As the instructor it is your responsibility to prompt the learners to give you access to the document they create.

Assignment: Independent Practice