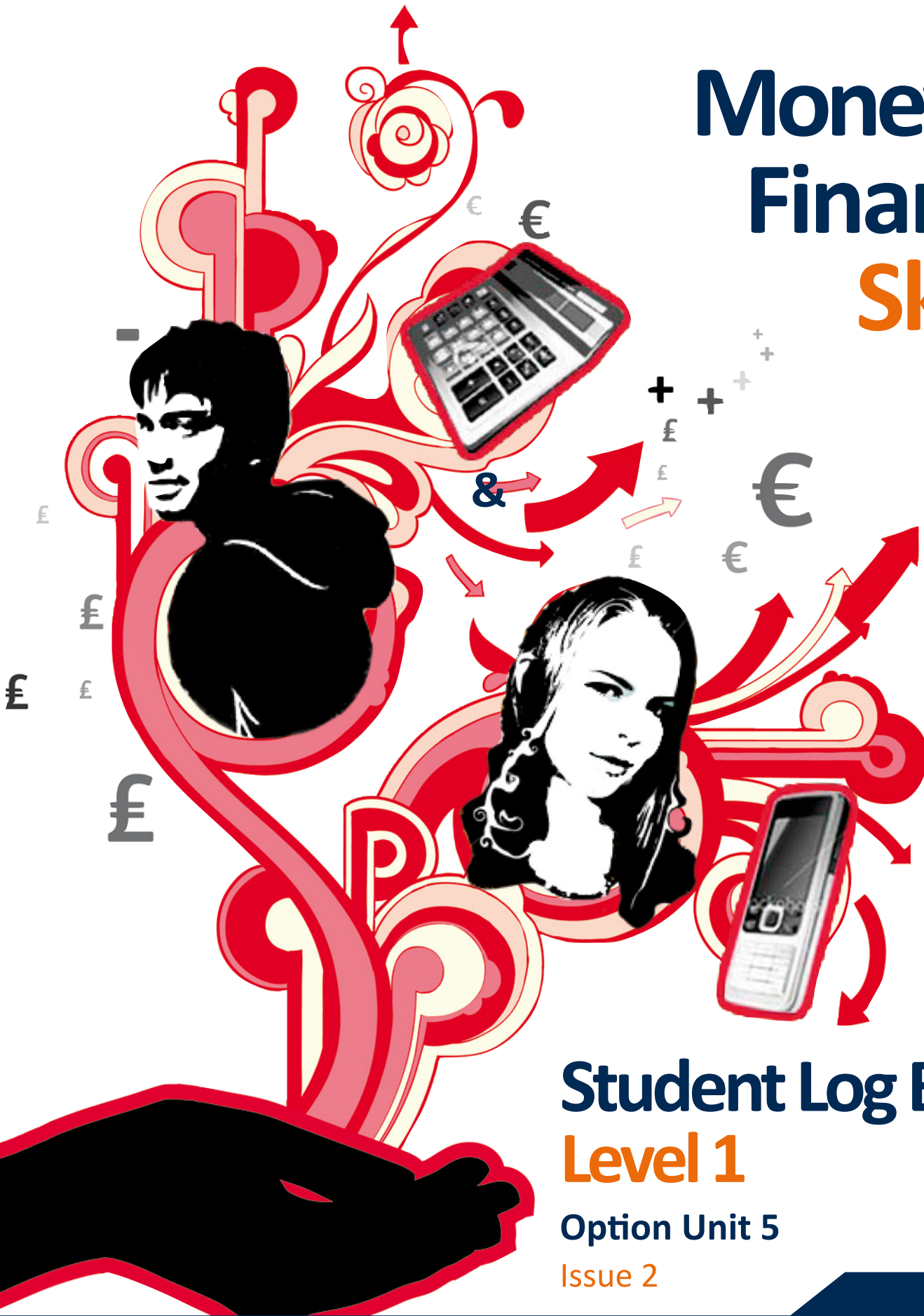


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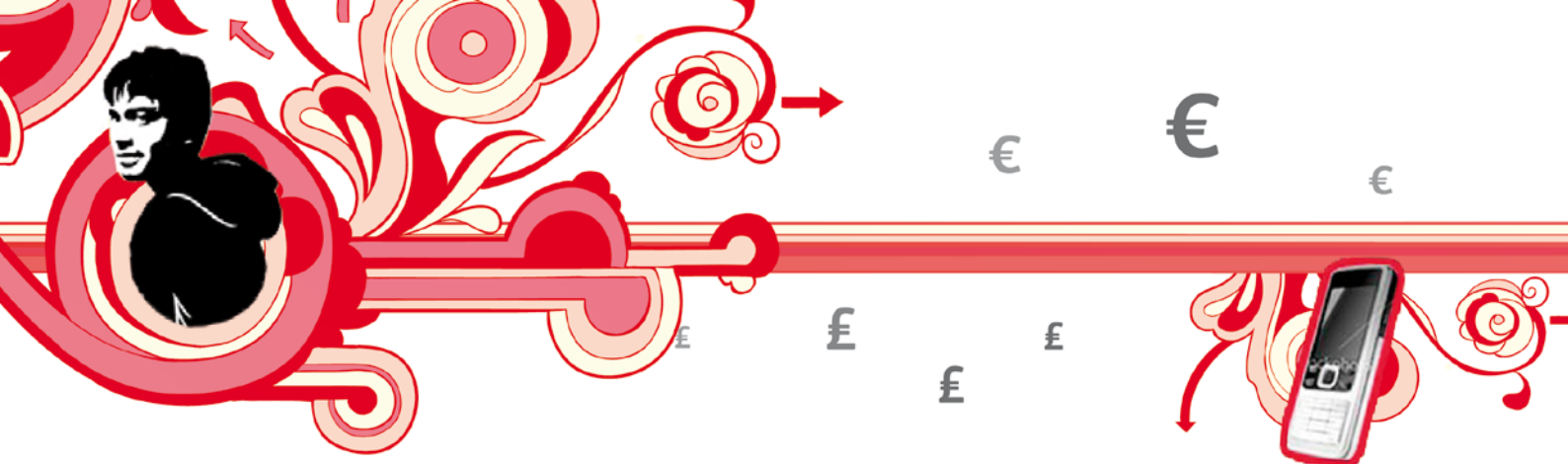
# Money & Finance Skills



## Student Log Book Level 1

Option Unit 5

Issue 2



## Unit 5 - Planning an Enterprise Activity

### 5.1 Setting up an enterprise

In this unit, you need to imagine you are setting up a small business or raising some money for something. Read Nationwide Education Fact sheet – *Business Enterprise* (FA6) and complete the activities below.

If you need some ideas for types of enterprises, the [www.mysmallbiz.com](http://www.mysmallbiz.com) website may get you thinking of profit-oriented activities or see [www.raisingmoneyforcharity.org.uk](http://www.raisingmoneyforcharity.org.uk) for fundraising ones.

For help with the sort of personal skills required for roles, you could try Young Enterprise's Quick Start music programme - [www.young-enterprise.org.uk/qsmusic/home.htm](http://www.young-enterprise.org.uk/qsmusic/home.htm).

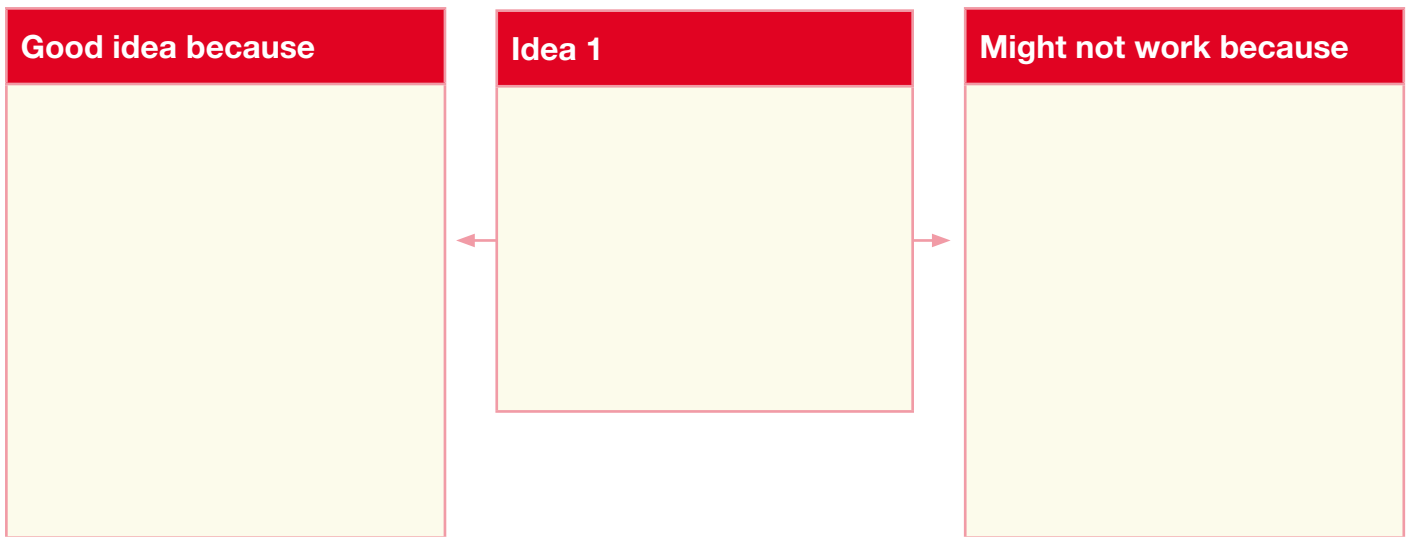
**Use the blank pages at the end of this unit if you run out of space.**

#### 5.1.1 Activity 1

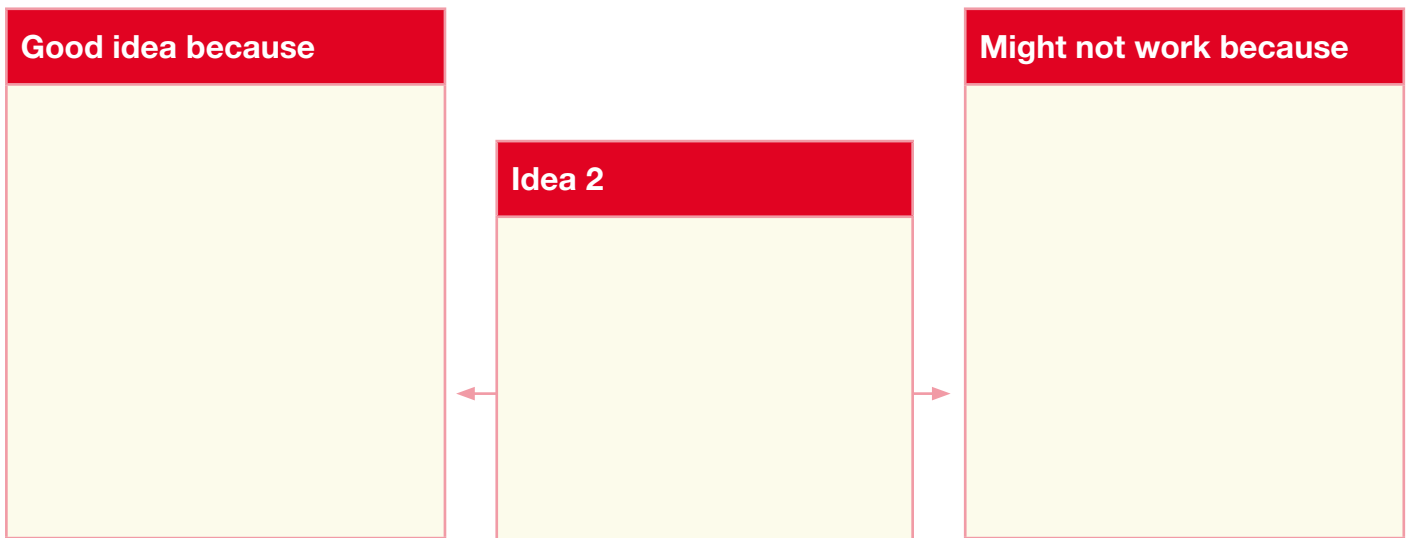
You need to decide on an idea for your enterprise activity. This means you will need to think about the strengths and weaknesses of your ideas to help you to decide which activity would be best.

Your enterprise activity may be an individual or a group activity.

- a) To start planning, complete the mind map on the next page.
  - i) Think of two different ideas for an enterprise activity which you would be able to take up. (AC 1.1)
  - ii) Consider one reason why each activity may be a good idea, and one reason why each enterprise activity may not work well. (AC 1.1)



**Possible enterprise activities**



iii) Choose the best enterprise activity, and write down the idea that you will pursue. (AC 1.1)

- b) Identify the important roles required to run the enterprise activity you have chosen, and what skills they need. For example, who looks after the financial aspects of the enterprise and what skills would they need? (AC 2.1)

Role in enterprise	Skills required

### 5.1.2 Activity 2

You will need to know about the costs involved in running your enterprise activity. The following example gives you an idea of how to identify and calculate your costs and sales income for an enterprise.

You will need to know:

- the cost of everything you will need
- how much you will charge for each item
- how many items you intend to sell.

The example enterprise activity shown below involves making buns to sell at coffee time in the college. To make 48 buns requires:

Item	Cost
700g self-raising flour	£1.22
440g soft margarine	£0.75
440g caster sugar	£0.59
8 eggs	£1.99
48 paper cases	£0.25
<b>Total cost</b>	£4.80
<b>Cost per bun</b>	(£4.80/48) 10p per bun

- a) 48 buns can be made from the ingredients listed above. Calculate a selling price for each bun in order to make a profit of 15p on each bun. (AC 3.21)

£	
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- b) If you sell four of the buns, what profit will you make? (AC 3.1)

£	
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- c) Complete the chart below to record costs for your chosen activity. (AC 3.1)

Item	Cost
<b>Total cost</b>	
<b>Cost per item</b>	

- d) Using the same formula you used in a) for the 48 buns, calculate how much profit you would make using two or three different prices you could charge for your product and two or three different amounts you might sell; remember, the higher the price you charge, the lower sales are likely to be. (AC 3.2)

Item	Selling price	Cost to produce	Gross profit per unit	Sales made	Gross profit
1.					
2.					
3.					

### 5.1.3 Activity 3

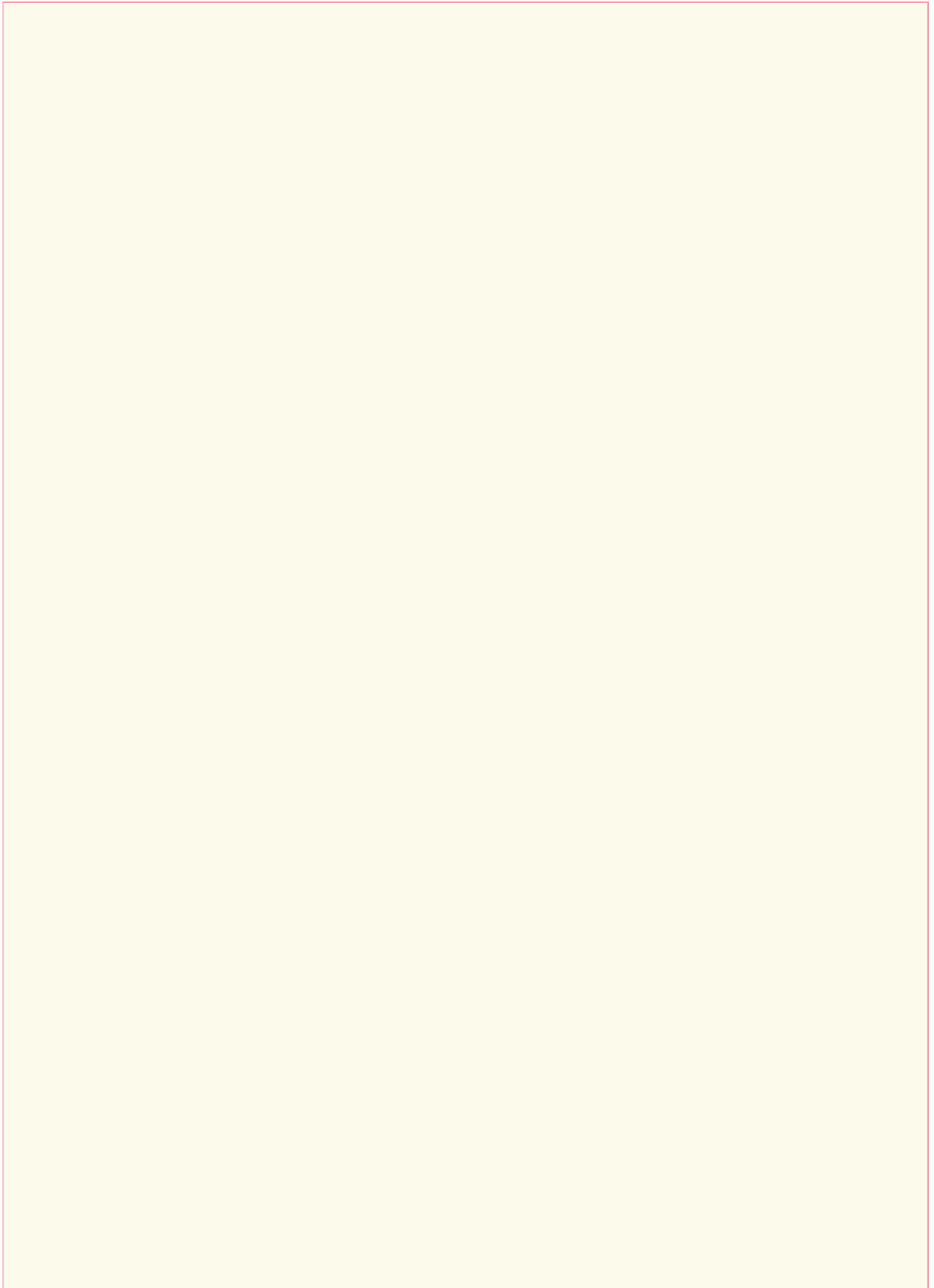
Make a flyer to promote your chosen product or service. (AC 4.1) This should include:

- a logo or branding
- a clear description of the product or service
- the price of the product or service
- where and when the product or service will be available.

You can design your flyer electronically in Publisher or Word etc. If you make or draw your flyer like a poster, you can scan or photograph it (making sure you show all sides!).

**! Remember to include your flyer with your completed Log Book.**

Use this page to continue your assignment. Please include the number of the question or activity you are answering.



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