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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Business Management and Administration |
| **Course Name** | Principles of Business, Marketing, and Finance |
| **Lesson/Unit Title** | Forms of Business Ownership |
| **TEKS Student Expectations** | **130.132. (c) Knowledge and Skills**  (2) The student describes the characteristics of business.  (B) The student is expected to differentiate between goods and services  (D) The student is expected to compare the different forms of ownership  (5) The student relates to the impact of international business on the U.S. economy  (A) The student is expected to explain the role of business in a global society |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | * Students will identify types of businesses. * Students will compare alternative ways to do business. * Students will describe three major types of businesses. * Students will discuss the role of business in the U.S. economy. * Upon completion of this lesson, the student will describe and contrast forms of business ownership. |
| **Rationale** | This lesson is an introduction to the different types of business ownership. Students will participate in class discussions as well as independent practice to learn about how the US has changed, what business activities are completed by all business, and the different types of businesses. |
| **Duration of Lesson** | Teacher’s Discretion |
| **Word Wall/Key Vocabulary**  *(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | * Partnership – a business owned by two or more persons who share the risks and rewards * Stock – shares of ownership in a corporation * Intermediary – business that acts as a go-between in moving goods from producers to consumers, such as wholesalers, retailers, and distributors * Sole proprietorship-a business owned by only one person * Corporation-a business treated by law as separate from its owners * Processors-businesses that change raw goods into more finished products * Manufacturers-businesses that make finished products out of raw processed goods * Unlimited liability-full legal and financial responsibility for a business * Limited liability-financial responsibility of business owners only for what they invested in a business * Franchise-a contractual agreement to use the name and sell the goods or services of an existing company * Nonprofit organization-a business whose main purpose is to provide a service rather than to make a profit * Cooperative-an organization of businesses owned and operated by the members, who pool their resources and share the benefits * Producer-a business that gathers raw products in their natural state * Wholesaler-a type of business that buys goods in large amounts and resells them to other businesses in smaller lots * Retailer-a business that sells goods or services directly to the public |
| **Materials/Specialized Equipment Needed** | 1. Construction paper 2. Scissors and glue 3. Poster board 4. Newspapers 5. Computers for students to complete projects 6. Deck of Businesses Assignment #1 7. Deck of Businesses Assignment #1 Rubric 8. Forms of Business Ownership Poster Assignment #2 9. Forms of Business Ownership Poster Assignment #2 Rubric 10. Other Forms of Business Ownership PowerPoint: Assignment #3 11. Other Forms of Business Ownership PowerPoint: Assignment #3 Rubric 12. Internet |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | 1. Statistics indicate that students will change jobs 10-14 times before they turn age 38. Ask students to list rapidly growing employment opportunities and jobs that are declining in numbers.  2. Ask students to list five businesses in their community. Then ask students to categorize the businesses as producers, intermediaries, or service businesses  3. Ask students to propose a new sole proprietorship for their community. What are the risks and benefits associated with opening this form of business?  4. Divide the class into small groups of two or three students. Each group has 10 minutes to determine a strategy for the government to encourage the start-up of more sole proprietorships.  5. Ask students to describe characteristics of a successful entrepreneur in the community. Then explain the risks involved with starting a business (more than 50% of businesses fail within one year). |
| **Direct Instruction \*** | 1. Business in the U.S. Economy    1. Changing Status of Employment in the U.S. (**NOTE**: Explain the changing workforce for an aging population. Also describe the needs for an aging population.)       1. New jobs evolve, and old jobs disappear       2. Aging labor pool       3. Minority groups make up a large percentage of the workforce    2. Roles of Businesses in the U.S. Economy       1. Employment for millions of people       2. Compensate owners and investors       3. Pay taxes to federal, state, and local governments       4. Make and distribute products and services needed by consumers, government, and businesses    3. Three Major Categories of Businesses       1. Producers-create products and services used by individuals and other businesses (**NOTE**: Ask students to give examples of producers. Possible answers may include farmers and manufacturers are examples of producers.)       2. Intermediaries-sell goods and services (**NOTE**: Ask students to give examples of intermediaries in the mall.)       3. Service businesses-carries out activities that are consumed by its customers (**NOTE:** Then ask students to give examples of service businesses that they use. Examples of service businesses might include Internet service providers, doctors, dentists, hair stylists, and lawn care specialists.) 2. Forms of Business Ownership    1. Sole Proprietorships-owned and run by one person (**NOTE:** Ask students to list a business that they would feel comfortable operating as a sole proprietor. Then ask students to explain why they are qualified.)       1. For individuals who want to work and make decisions independently       2. Little government regulation       3. Great risk for the owner    2. Partnership-owned and controlled by two or more people (**NOTE**: Ask students to list the risks involved with partnerships. Explain how partners have unlimited liability in the partnership.)       1. People who share an idea for a business       2. People who want to cooperate in managing and investing, and want to share the risks and rewards of the business    3. Corporation-separate legal entity owned by one or more shareholders and managed by a board of directors (**NOTE**: Ask students to list three corporations that they think are good investment choices. Then have the students look up the stock performance for their choices.)       1. More difficult to form       2. Subject to more regulations       3. Limited liability for investors 3. Other Forms of Ownership    1. Limited Liability Partnership (**NOTE**: Describe how a limited liability partnership would allow you to begin a partnership with a noted expert who is only liable for the amount they invested in the company.)    2. Joint Venture (**NOTE:** Explain how a joint venture ends when a project is completed.)    3. S-Corporation    4. Limited Liability Company    5. Nonprofit Corporation    6. Cooperative    7. Franchise (**NOTE**: Ask students to give examples of franchises. Fast food, restaurants, hotels, and other businesses operate as franchises.) |
| **Guided Practice \*** | Two friends want to open a clothing consignment store. Individuals bring clothing to the consignment store and if the clothes sell, the consignment shop earns 60% and the customer receives 40% of the sale. What are the advantages of this type of business over other retail stores? Explain the advantages and disadvantages of operating this business as a sole proprietorship and a partnership. |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | 1. **Deck of Businesses Assignment:** Ask the class to design a deck of 54 cards.Eighteen of the cards represent service businesses, 18 cards should represent producers, and 18 cards represent intermediary businesses. The deck of cards will be used to review service businesses, producers, and intermediary businesses. This assignment will be evaluated for following directions accurately. 2. **Forms of Business Ownership Poster Assignment:** Ask students to findpictures of businesses that are sole proprietorships, partnerships, and corporations. Then students will design a poster divided into three sections representing the three forms of ownership. Each section will include pictures and bulleted items describing the forms of ownership. The poster will be evaluated using the assigned rubric.    1. **Other Forms of Business Ownership PowerPoint Assignment:** Ask studentsto design a PowerPoint presentation that defines a limited liability partnership, joint venture, S-corporation, limited liability company, nonprofit corporation, cooperative, and a franchise. Each form of business ownership must be carefully defined. The PowerPoint presentation will be evaluated using the assigned rubric. |
| **Lesson Closure** | 1. How is the U.S. population changing? 2. The U.S. population is becoming older. The number of Asian, Hispanic, and African-   American workers will grow. The number of contingent workers will grow.   1. What are six business activities completed by all businesses? 2. Six business activities include generating ideas, raising capital, employing and training personnel, buying goods and services, marketing goods and services, and maintaining business records. 3. What is one advantage of investing in a corporation? 4. One advantage is limited liability. 5. What is the size of the workforce for the greatest number of businesses in the U.S? 6. The greatest number of businesses in the U.S. employ less than 20 people. 7. Which form of business ownership is the most complex and difficult to form? 8. The most complex form of business ownership is the corporation. 9. What are disadvantages of the partnership form of business? 10. Disadvantages include unlimited liability, uncertain life, and disputes among the partners.   **FORMING A FRANCHISE**  Students will explain the process for operating a specific franchise. Information will be presented in a PowerPoint presentation. The presentation must give concrete steps to apply for and operate the franchise. A rubric will be used to evaluate this project. |
| **Summative / End of Lesson Assessment \*** | **Informal Assessment:**   1. Instructor will observe students during Independent Practice. 2. Instructor will assist students as needed.   Assigned Rubrics will be used to assess assignments 2 and 3 for Independent Practice (LSI Quadrant III). A rubric will also be used to evaluate the “Forming Franchise” assignment.  Accommodations for Learning Differences: It is important that lessons accommodate the needs of every learner. These lessons may be modified to accommodate your students with learning differences by referring to the files found on the Special Populations page of this website. |
| **References/Resources/**  **Teacher Preparation** | 1. Introduction to Business, Fifth Edition, Brown Clow, Glencoe McGraw-Hill 2. Intro to Business, Dlabay Burrow Klendl, South-Western Cengage Learning 3. Online Resources: globaledge.msu.edu, worldnetdaily.com/news/article |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** | **English**  **110.42(b)(6)(A) – Vocabulary Development**  …expand vocabulary through wide reading, listening, and discussing  **110.42(b)(6)(B) – Vocabulary Development**   * rely on context to determine meanings of words and phrases such as figurative language, idioms, multiple meaning words, and technical vocabulary   **110.42(b)(7)(F) – Reading/comprehension**  …identify main ideas and their supporting details  **110.42(b)(7)(G) – Reading/comprehension**  …summarize texts  **110.42(b)(7)(J) – Reading/comprehension**  …read silently with comprehension for a sustained period of time  **Mathematical Models with Applications**  **111.36(c)(1)(A) – Knowledge and Skills**  …compare and analyze various methods for solving a real-life problem.  **111.36(c)(1)(B) – Knowledge and Skills**  …use multiple approaches (algebraic, graphical, and geometric methods) to solve problems from a variety of disciplines  **111.36(c)(1)(C)** – **Knowledge and Skills**  …select a method to solve a problem, defend the method, and justify the reasonableness of the results  **111.36(c)(6)(A)** – **Knowledge and Skills**  …analyze methods of payment available in retail purchases and compare relative advantages and disadvantages of each option.  **111.36(c)(7)(A)** – **Knowledge and Skills**  …analyze types of savings options involving simple and compound interest and compare relative advantages of these options. |
| **Recommended Strategies** | |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication**  **90 Second Speech Topics** |  |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) | 1. Students will select three sets of competing corporations and track/record stock prices for three weeks to determine which corporations have a better performance record. 2. **Name That Corporation**: Students will compose a one-page story about acorporation, without referring to the name of the corporation. The teacher will read the stories and students will write down which corporations they think are being described. 3. Students select a popular brand of clothing or athletic apparel. Students conduct research to determine how and where the clothing is produced. Students must explain why the clothing is manufactured in the selected part of the world. |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of America  Future Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)