

Bead Bracelet Example

Have students determine if they can make a profit selling bead bracelets.

○ Write the following items on chart paper or the chalkboard:

- It costs \$8.00 to buy enough beads to make 10 bracelets.
- It costs \$5.00 to buy enough string to make 10 bracelets. Let's pretend that we are going to start a bracelet business.

It costs \$8.00 to buy enough beads to make 10 bracelets. It costs \$5.00 to buy enough string to make 10 bracelets. How much does it cost to produce 10 bracelets? It costs **\$13.00**.

Let's say you think that we can sell at least **200 bracelets**. How much do you think you should charge for the bracelets?

Answers will vary. Students should charge at least \$1.31 to make a profit of 1 cent. Students will probably want to charge more.

Now suppose that we don't have the money needed to make 200 bracelets. We need to get a loan. Remember, if you take out a loan, you have to pay it back. So it is very important that we are sure we can pay the loan back and make a profit.

In order to get a loan, we need to create a plan for our business.

We need to:

- **explain how much it costs to produce the bracelets,**
- **explain how many people we can sell bracelets to, and**
- **convince someone that our business will make enough money to pay the loan back.**

You should write these three items on the chalkboard or on chart paper. As a group, prepare a presentation to give to a lender. Have students prepare a presentation. If there is time, you may want to have each group share its presentation with the class