

Creating a Business Plan Lesson 8: Using Accounting to Develop Your Finance Plan

SUBMITTED BY: WGYP Summer Educator

SUBJECT(S): Accounting, Entrepreneurship

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson of the unit Creating a Business Plan, students will analyze accounting data and develop their own finance plans for their businesses.

≡ RELATED ARTICLES:

- [“From the Campus Quad to the Boardroom: Jason Schutzbank on Life as a Student and Serial Entrepreneur”](#)
- [“A Maker Develops the Business Plan for His Latest ‘Eye-pad’ Innovation”](#)

NBEA Standard(s):

- Recognize that entrepreneurs must establish, maintain, and analyze appropriate records to make business decisions.
- Use the financial concepts and tools needed by the entrepreneur in making business decisions.
- Develop a business plan.

Common Core Standard(s):

- CCM Standard for Statistics and Probability: Summarize, represent, and interpret data on two categorical and quantitative variables.
- CCM Standard for Statistics and Probability: Calculate expected values and use them to solve problems.

Objectives/Purposes: In this lesson, students will analyze data in a table and graph form and discuss the implications it has to a business's profits. Students will create their own financial plans for their businesses.

Other Resources/Materials:

- Computers with excel and Internet access (if possible)
- Graph paper
- Markers
- Calculators
- PowerPoint *Understanding Accounting & Financial* of slides from part III of the PowerPoint

Activity:

Activity Powerpoint

1. Do Now: Turn to a partner and give real business examples of fixed and variable costs. Give a real-world example of each. (3 min)
2. Teacher will ask if there are any questions about the previous lesson before moving into how it will be used to create a finance plan. (2 min)
3. The teacher should use the PowerPoint *Understanding Accounting & Financial Planning Part III: Accounting to financial planning*. If this is not available, the teacher can use the attached printout of the slides. The teacher should go slide by slide.
 1. First slide of this section is a forecast of the costs, revenue and profits based on different possible numbers of cups of lemonade sold. Students should be able to identify when there will be a profit vs. a loss.
 2. Second slide of this section is a graph representing the data from the first slide. Students should analyze the graph and explain what it means. What does this

tell potential stakeholders? How would this be useful when developing a business plan?

3. Last slide just goes over some of the tips students should think about as they begin to work on their finance section.

There are some mathematical computations that the teacher can apply to this section. (15 min)

4. Groups have the remainder of the class to work on their finance plans. Student access to computer is helpful, if not they can use graph paper. Instruct students to come up with a general finance plan. They do not need to account for everything (i.e. taxes, insurance, etc.). This should be general. Depending on time and resources it might be worth limiting the number of variable and fixed costs. Students should also refer back to their marketing plan when they come up with the revenue. (25 min)

Practice Outside of the Classroom:

There are two ways to extend this lesson. First, students can go home and work on the finance plan. This will save some time in class and also have them practicing what they learned. The second suggestion is to assign students the article "*From the Campus Quad to the Boardroom: Jason Schutzbank on Life as a Student and Serial Entrepreneur.*" This article is a nice example of a person who started being an entrepreneur in college and some of the finance decisions he had to deal with as he navigated his way through the industry.

What Worked and What I Would Do Differently: If possible, this lesson could be connected to a math class on statistics and probability. The teacher might also want to look ahead and think about the different types of math computations that can be brought into this lesson.