

Name: _____ Date: _____ Class: _____

BUILDING BLOCKS STUDENT WORKSHEET

Making a good business investment

Investors are people who commit their money to a business to earn a financial return. Their goal is to make money from their investment and not lose money.

Whenever you decide to invest, it's helpful to consider potential profits and risks so you can make an informed decision about what to invest your money in.

Instructions

- 1 Read the scenario.
- 2 Review the "Investment options" sheet.
- 3 Complete this worksheet's "Investigating investments" and "Analyzing investments" sections for both businesses.
- 4 Compare the information on the businesses.
- 5 Choose a business to invest in and explain your decision.

Scenario

Imagine you're an investor who provides financial support to small businesses. You've set aside \$260 to invest in a student entrepreneur. Two student entrepreneurs who are looking for an investor have made it to the top of your list. You'll need to decide which business would make a better investment for you.



Investigating investments

Complete this table using information from the "Investment options" sheet.

	D's Car Detailing	Justin's Lawn Care
Business owner's name		
How much does this service cost?		
How much money does the owner make on each service after expenses?		
How much money does the owner make in a weekend after expenses?		
How much money will the owner make in one weekend after the new plan is in place?		
How much money are they asking you to invest?		

Analyzing investments

You'll need to do your own calculations and spend time reflecting in order to answer the following questions.

	D's Car Detailing	Justin's Lawn Care
How much money are you likely to make after your investment is paid back?		
How long will it take for you to make back your investment?		
How long will it take for you receive all your profits (money above the amount you invested)?		
What are the potential benefits of investing in this business?		

	D's Car Detailing	Justin's Lawn Care
What are the potential risks of investing in this business?		

Making a choice

Compare the benefits and risks of each investment and choose which business would be a better investment for you. Explain what led you to your decision.

I will invest in _____ because: