Unit 3/Week 3

Title: Lemons and Lemonade

Suggested Time: 5 days (45 minutes per day)

Common Core ELA Standards: RI.3.1, RI.3.2, RI.3.3, RI.3.4; W.3.2, W.3.4; SL.3.1; L.3.1, L.3.2, L.3.4

Teacher Instructions

*Refer to the Introduction for further details.*

**Before Teaching**

* Read the Big Ideas and Key Understandings and the Synopsis. Please do **not** read this to the students. This is a description for teachers, about the big ideas and key understanding that students should take away **after** completing this task.

Big Ideas and Key Understandings

Successful businesses recognize the needs and wants of customers.

Successful business owners identify new strategies in response to changes in the market, including how competition impacts business, and the basic laws of supply and demand.

There is a lot to learn when starting a new business including how to open, start, manage and expand a business.

Synopsis

This selection is a narrative nonfiction story about supply and demand. It gives readers information about the basics of starting a business, and also provides standard business terms and their definitions. Karly encounters some problems in her business, but she figures out ways to solve her problems and reach her goal of having a successful business.

* Read entire main selection text, keeping in mind the Big Ideas and Key Understandings.
* Re-read the main selection text while noting the stopping points for the Text Dependent Questions and teaching Vocabulary.

**During Teaching**

* Students read the entire main selection text independently.
* Teacher reads the main selection text aloud with students following along. (Depending on how complex the text is and the amount of support needed by students, the teacher may choose to reverse the order of steps 1 and 2.)
* Students and teacher re-read the text while stopping to respond to and discuss the questions and returning to the text. A variety of methods can be used to structure the reading and discussion (i.e.: whole class discussion, think-pair-share, independent written response, group work, etc.)

Text Dependent Questions

|  |  |
| --- | --- |
| **Text-dependent Questions** | **Evidence-based Answers** |
| Why does the author tell us that Karly is bored, hot, and thirsty? | Karly comes up with the idea to open a lemonade stand because she is hot and thirsty so she thinks others will be willing to pay for something cool and she can make money. |
| What is capital? What is Karly’s capital? Is this a fantasy story or realistic story and how do you know? | Capital is the money, goods or resources necessary to run a business. Karly’s capital is lemonade, ice, and a stack of plastic cups which are the goods she used. Realistic. The characters, setting, and events in the story could be or are real. |
| Why do you think each of the customers bought lemonade? | Mrs. Crane was a polite neighbor. The boy had been mowing and was hot. The woman had been jogging. The kids were riding their bikes, and the babysitter had been pulling a toddler in a wagon. They were all thirsty.  |
| What information did you learn from the piggy bank? How does this connect to Karly? | Some businesses sell goods like food, tires, or clothing. Some provide services like cutting hair or fixing cars. Karly sells lemonade which is a good and a service. It is a good because she is actually selling a drink. She is also providing a service to people by providing a drink when people are thirsty.  |
| What is gross profit? How does the author help us understand the concept of gross profit? What are expenses? What were Karly’s expenses? How is net profit different from gross profit?  | Gross means total money taken in. Karly's gross profit is the total amount of money Karly took in at the lemonade stand. The author helped us understand this comment by showing that Karly was confused by the double meaning of the word “Gross”. Karly thought her mother was calling her profit yucky. She did not understand the term “gross profit” as it related to business. Expenses are money spent to buy or do something.Karly’s expenses were lemonade, ice, and cups. Have students talk about businesses they know, then explain what the expenses for that business is.Net Profit is your gross profit minus expenses. This is the money you actually made after you subtract all your expenses.  |
| If Karly sold 10 cups of lemonade at $.25 a cup and her expenses for lemonade, ice, and cups is $1.00, what is her gross profit and her net profit? | Her gross profit is 10 x $.25 = $2.50.$2.50 (gross profit) - $1.00 (expenses) =n $1.50. |
| What does Karly's mom mean when she says "testing the market"? According to the piggy bank, what is another meaning for market?  | Seeing how much people are willing to pay. Karly raised her price on the lemonade to see if people would still buy it.A place where goods are bought and sold. |
| What is Karly learning about her new business? How does the piggy bank explain scarcity? Will her new plans always work? | She tested the market and learned that she could raise the price and still sell her lemonade. Business was still fantastic and she sold out because the demand was high. She bought more supply so her product would not be scarce. If the demand for a product is high, and not enough of that product can be made, the result is scarcity. The product is hard to find and often expensive.When the demand is low because of weather or other reasons, the demand will not be high so her plan of raising the price and having plenty of supply did not work. Her mom explained that it is tough to balance the supply of a product with the demand for it. |
| Based on the text, explain monopoly and competition. How did Karly compete to reach her goal of having a successful business?  | A monopoly has no competition. Having a monopoly means prices can be set high. Josh and Shawn were selling the same product giving her competition. If there is competition, prices will usually be lower. People have choices.She made an attractive sign, added a new snack, and dropped the price of her lemonade. |
| Why did Karly change her sign? How does offering a discount for a product make more money? How is competition good/bad for business? Is competition good or bad for customers?  | She was marketing her product to make it more attractive than her competition.Businesses make less profit per item but sell more of the product.Competition is good for Karly's business because it made her think of new ways to improve and expand her business. It is bad because she had to lower her prices to compete.It is good because more stores mean more choices, and competition usually brings prices down. |
| What more is Karly learning about business?  | Cut the price to be more competitive.She offered a new product to attract more customers so she could be successful and reach her goals.When offering a discount for a product the business makes less profit per item but sells more of the product.Competition is good for Karly’s business because it made her think of new ways to improve and expand her business.Competition is bad for her business because she had fewer customers to buy her product and she had to lower her prices to compete.More stores means more choices, and competition usually brings prices down which is good for customers. |
| How does Karly's reaction to Josh and Shaun connect to her earlier decisions? Why did Karly like Josh and Shaun’s idea?  | They were her competitors. But, her business mind led her to believe having them as partners would allow them to work together to have a successful business.With three of them working together, they would be able to sell a lot of their products at the softball game. She also thought it would be fun to work with her friends. |

Vocabulary

|  |  |  |
| --- | --- | --- |
|  | **KEY WORDS ESSENTIAL TO UNDERSTANDING** | **WORDS WORTH KNOWING** General teaching suggestions are provided in the Introduction  |
| **TEACHER PROVIDES DEFINITION** not enough contextual clues provided in the text | expenses, demand, profitscarcity supply, product, balancecompetition, monopoly | capitalgross profit, net profit |
| **STUDENTS FIGURE OUT THE MEANING**sufficient context clues are provided in the text | market, servicesdiscount, expanded, proudpartner | standstack, goods, businesscustomercompletely, sell outbreak |

Culminating Task

* Re-Read, Think, Discuss, Write
* *Describe the steps that Karly went through to start up her business. Include details that describe why she started the business, changes that she made, and her reaction to these changes.*

Answer: Karly started the business because it was summer vacation, she was bored and wanted to start her own business and be successful. She sets up the stand and sells lemonade for $.25. That goes so well she doubles the price to test the market. That went well for a day, but the next day it was cool and windy and the demand was not great. Then, on the next hot day, her friends, Josh and Shaun give her some competition by setting up their own stand therefore she no longer has a monopoly . She expands her business by offering a new product and reducing the price of her lemonade. This worked and she was very proud, but Josh and Shaun offer her a proposal to become business partners. She likes that idea because she knows their proposal will be where the demand is and she will enjoy working with her friends.

Additional Tasks

* *Karly started a business to solve her own problem or meet a need. Identify a need in our school or community and design a business plan. A business plan defines your business. It identifies your goals and serves as your direction for your business. It helps you allocate resources properly and plan for supply and demand.*

Answer: Writing should include need and details explaining how the student plans to meet that need. Students will use online resources, school library, and classroom library to research goal of a successful business plan.

Scoring Guide (See NECAP Model)

|  |  |
| --- | --- |
| Score  | Description  |
| 4 | The plan contains a plausible idea for a business and a thorough explanation of the business plan. It maintains a focus/ purpose with sufficient details that show strong understanding of the text information. Details include appropriate use of concepts and terms (e.g. supply and demand, gross profit, capital) from the text. The written plan is well organized and coherent, anticipating the needs of the audience. It includes a variety of correct sentence structures and demonstrates sustained control of grade-appropriate grammar, usage, and mechanics. |
| 3 | The plan contains a plausible idea for a business and an explanation of the business plan. It maintains a focus/ purpose with some relevant details that show understanding of the text information. Details include appropriate use of some important concepts and terms (e.g. supply and demand, gross profit, capital) from the text. The written plan is generally well organized and coherent. It includes some variety of correct sentence structures and demonstrates general control of grade-appropriate grammar, usage, and mechanics. |
| 2 | The plan contains an idea for a business and an attempt at an explanation of the business plan. It contains major lapses in the focus/ purpose with few or no relevant details. Little or no content or terms are used from the text. The plan lacks organization but includes some attempt at sentence variety and may demonstrate inconsistent control of grammar, usage, and mechanics. |
| 1 | The plan includes and idea for a business with no explanation or evidence of textual understanding.  |
| 0 | Response is totally incorrect or irrelevant. |

* *Karly’s goal was to own her own lemonade stand and be successful. Write about your goal and what you want to do to be successful.*

Answer: Writing should include a goal and how they think they will be successful. Use business terms from the story. Share these goals orally with the class.

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**“Lemons and Lemonade”**

1. Why does the author tell us that Karly is bored, hot, and thirsty?
2. What is capital? What is Karly’s capital? Is this a fantasy story or realistic story and how do you know?
3. Why do you think each of the customers bought lemonade?
4. What information did you learn from the piggy bank? How does this connect to Karly?
5. What is gross profit? How does the author help us understand the concept of gross profit? What are expenses? What were Karly’s expenses? How is net profit different from gross profit?
6. If Karly sold 10 cups of lemonade at $.25 a cup and her expenses for lemonade, ice, and cups is $1.00, what is her gross profit and her net profit?
7. What does Karly's mom mean when she says "testing the market"? According to the piggy bank, what is another meaning for market?
8. What is Karly learning about her new business? How does the piggy bank explain scarcity? Will her new plans always work?
9. Based on the text, explain monopoly and competition. How did Karly compete to reach her goal of having a successful business?
10. Why did Karly change her sign? How does offering a discount for a product make more money? How is competition good/bad for business? Is competition good or bad for customers?
11. What more is Karly learning about business?
12. How does Karly's reaction to Josh and Shaun connect to her earlier decisions? Why did Karly like Josh and Shaun’s idea?