

This mark will be given to you later by your teacher!!

# Business Entrepreneur



What is economics?

## Man with a plan *...to jam in business*

Mike's an *entrepreneur* with an idea. He wants to set up a business making jam to sell at the local market. There are lots of things to think about before he can achieve his goal. Many of them involve figuring out how much things will *cost*, from his *resources* to *setting the price* for the jam.

Once upon a time...

story starts here



I love Granny's jam. I think everyone else will love it, too. I'm going to use her recipe to make lots of jam. Then I'll sell it!

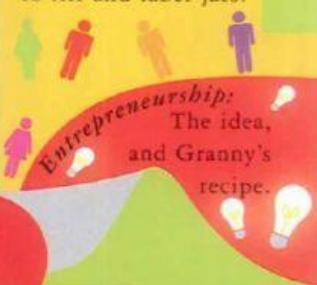
Mike is a man with an idea for a business.

Mike thinks it through...

**Natural resources:**  
Fruit and sugar to make the jam.



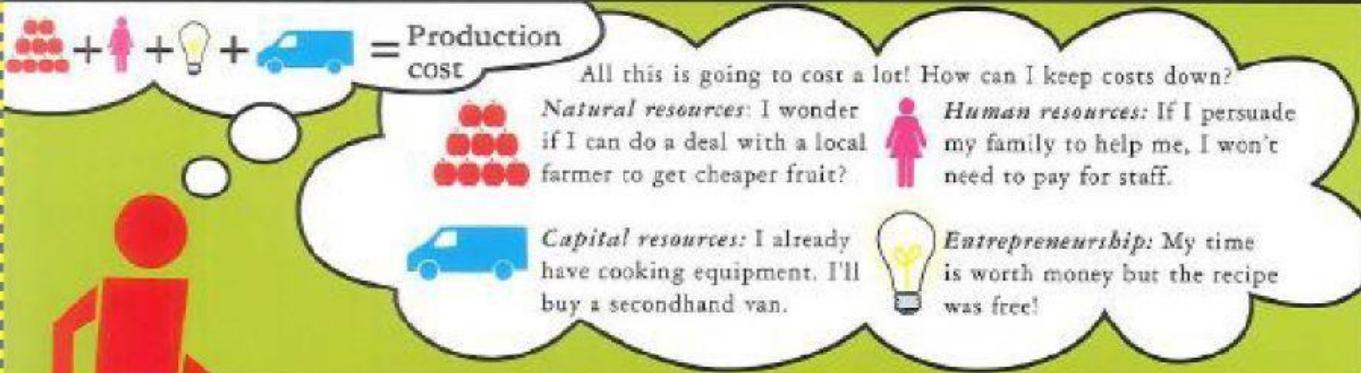
**Human resources:**  
A cook, and people to fill and label jars.



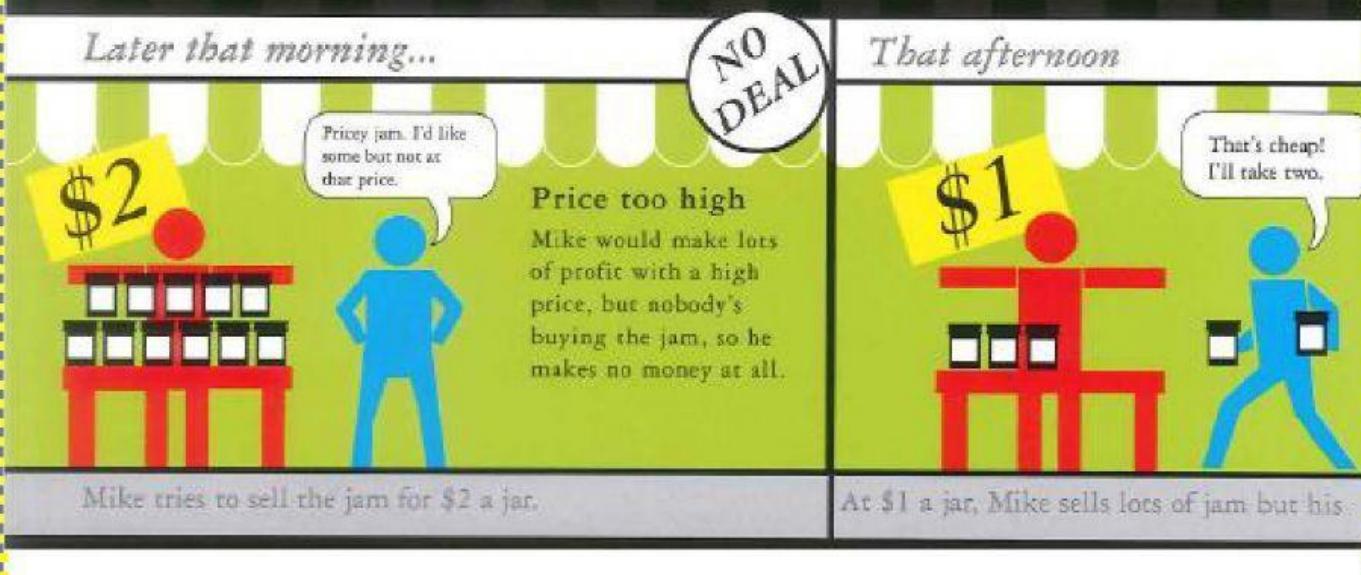
**Capital resources:**  
Pots, pans, jars, a delivery van.

He works out what he will need.

...and does some calculations



He figures out the cost of everything, including the cost of his time and effort.



**BAD DEAL**

Bargain!



profit is low.

*The next day*

I need to make a profit, but I also need people to buy—and they like cheap prices. I'll try selling for \$1.50.



Mike sells lots of jam AND makes profit.

*1 month later*

I'm in business!



Mike now sells jam in lots of markets.

*To be continued...*

It took Mike several attempts to figure out the best price for his jam. When the price was too high, people wouldn't buy it, but when it was too low, he made very little money even though he sold lots of jam. He didn't know it, but he was dealing with the law of supply and demand.

**In your own words - what do you remember?**

click here

