Read the short story. Then answer each question.

Open for Business

Zion really wanted to open his own business. He loved watching shows on TV about people who invented great things and helped other people love their inventions, too. He tried to learn about how people started their own businesses and how they got their great ideas, but a lot of it was too hard for him to understand yet. His mom suggested that he look around the community for a business leader who might be able to help him understand, so that he could start his own business one day.

One day, he and his mom were out getting ice cream, and the shop owner, Mr. Warner, was the one serving them. Zion's mom asked if he had a few minutes to talk, and Mr. Warner sat down with them.

"Mr. Warner, Zion really wants to open his own business one day. Do you think you could help him understand how to run a business?" Zion's mom asked.

"I can try," replied Mr. Warner, "but a lot of it is hard to understand. There is a lot of math, and plenty of things you just have to learn through trial and error."

"A lot of math?" asked Zion. "Why do you need to know math to run a business?"

LIVEWORKSHEETS

"Where do I even start? Well, when you own a business, you need to think about money flow. You have to know how much it costs to make or buy your items for the store, how much money you have to pay for your office space, and how much money you have to pay your workers. There are other costs, too, but we can just start with those. Each month, you have to make sure that you make enough money to cover those costs."

"I know that when you sell the ice cream that is how you get the money back from buying the ice cream, but where do you get money for the other things?" Zion asked.

"We actually have to sell the ice cream for more money than we bought the ingredients for. This is one time when math comes in. I have to total up how much I spent on all of the ingredients. Then I have to figure out how many servings of ice cream those ingredients will make. Next, I have to divide the cost by the servings, and add in extra to pay for the building and for my workers' paychecks," Mr. Warner responded. "But, I also have to make sure that it's not too expensive, and that it tastes delicious, otherwise no one will want to come to my shop. When I make really good ice cream that brings in a lot of customers, then I know I'm running my business the right way. If I don't make good ice cream, then I don't make any money. That would be awful, because I have to be able to pay all of the wonderful people who work here!"

LIVEWORKSHEETS

It was time for them to go, but Zion was very thankful for Mr. Warner's explanation. "Thank you, Mr. Warner. There's a lot for me to learn!"

"Anytime, Zion. You're welcome to come back and ask more questions, I'm happy to help a future business leader!"

LIVEWORKSHEETS

Questions:

1. Retell the story in your own words.

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2. Describe Mr. Warner's character. What evidence from the text helps you describe him?

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3. What other questions could Zion ask Mr. Warner about starting his own business?

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_____

4. What do you think Mr. Warner would change about his business if he wasn't making enough money?

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5. Why else might you need to know math to run a business?

LIVEWORKSHEETS