



Cally's Enterprise

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Lesson Overview

Cally's Enterprise features Cally Lippincott and Chuck Foster as the main characters. Cally first meets Chuck while she is at home recuperating from a broken leg. Chuck appears at her door as part of a newspaper selling contest asking people to buy a subscription to the local paper. Chuck is trying to win a trip to Ocean City and wants Cally to become his partner in the contest. He agrees to give Cally half of the profits when they win.

Key Economic Concepts

Goods/Services
Partnership
Opportunity Cost
Marketing Strategies

Starting a Business
Entrepreneur
Market Economy
Competition

Materials

Handouts 1 & 2



Teaching Procedure

1. Read and discuss Chapters 1 – 4. Discuss what things Cally considered (time involved, school work, leisure time, etc.) before accepting Chuck's offer. Explain and discuss the concept of **opportunity cost**.
2. In groups, have students complete Handout 1. Encourage students to use the **Decision-Making Grid** in Part 3. Discuss answers.
3. Read and discuss Chapters 5 – 8. Discuss the **marketing strategies** Cally and Chuck used to get people to buy a paper.
4. Complete Handout 2.
5. Read and discuss Chapters 9 – 13. Discuss what effects, both positive and negative, losing the contest had on Chuck and Cally's **partnership**.
6. After completing the book, refer back to the key economic concepts listed above. Put a brief definition of each concept on the board. Organize the class into groups of 3 or 4. Have students discuss each term and decide how they relate to Cally and Chuck.



Key Questions To Ask Students

1. Why did Chuck want Cally as a business partner? (*He could sell a lot more newspapers in a shorter amount of time.*)
2. What are some possible disadvantages of forming a business **partnership**? (*You have to share profits; there may be disagreements.*)
3. Were Cally and Chuck trying to sell a **good** or a **service** to their prospective customers? Explain your answer. (*Both – a newspaper is a good, but delivering it is a service.*)
4. What was the **opportunity cost** of Cally's decision to help Chuck? (*Whatever else she would have done with her time spent on the business!*)
5. Why is a newspaper business dependent on its **marketing** department? (*Without new subscribers, the newspaper business would lose money and might even have to go out of business.*)
6. What are the benefits to the newspaper of doing business in a **market economy** as opposed to a **command economy**? (*In a market economy, the newspaper is free to make its own business decisions. It can set prices, develop its own marketing strategies, hire and fire employees, etc. It is also free to express ideas and opinions that the government may not like.*)
7. Consumers benefit the most in a market economy when there is **competition** among sellers. Is there competition for a local newspaper which may be the only one in town? (*Even though there is only one newspaper, there is still other competition. There are regional and national newspapers, news magazines, the internet, etc. This competition forces local newspapers to keep their prices competitive and provide good service.*)



Follow-up Activities

1. **Bulletin Board:** Use advertisements from your town's newspaper to develop a bulletin board entitled "Businesses in Our Community." Divide the board in half, displaying the local goods for sale on one side and local services for sale on the other.
2. **Class Visitor:** Invite an advertising executive to speak to the class.
3. **Create Ads:** Create new ads for local businesses and ask the owners to critique them.



Handout 1

Decisions, Decisions!

Every day each of us, individually or in groups, must make decisions. Many of these are relatively important, and some may be very important, affecting not only ourselves but others around us. Below are some situations that require a choice. In each situation, identify what is **scarce**, your decision, the **opportunity cost** of your decision, and why you made your decision.

1. You want to go to the championship basketball game tonight at the gym. But you have not finished your science project, which is due tomorrow. It will take at least four hours to complete the project. What will you do?

What is Scarce? _____

Decision _____

Opportunity Cost _____

Why? _____

2. You have \$10 in your savings account. The new T-shirt you have been saving for is now on sale for \$10. But next week is your mother's birthday, and the perfume she wants is \$10. How will you spend the \$10?

What is Scarce? _____

Decision _____

Opportunity Cost _____

Why? _____

3. You want to try out for the soccer team and the swimming team, but they both practice at the same time. What will you do?

What is Scarce? _____

Decision _____

Opportunity Cost _____

Why? _____

4. You have been offered a \$6 per hour lifeguard job this summer. You like the job a lot and could see friends at the pool. However, your uncle offers you a job mowing lawns for his lawn care business. It's hot and dirty work, but it pays \$8 per hour. What job will you choose?

What is Scarce? _____

Decision _____

Opportunity Cost _____

Why? _____

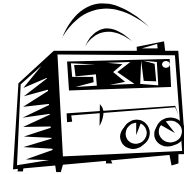
5. Your community has received \$50,000 in new taxes. One group of citizens wants to use the money to build a new softball field since there is currently no place for the girls' league to play. Another group wants to build an outdoor environmental learning center, which would include planting quite a few trees. How should the money be spent?

What is Scarce? _____

Decision _____

Opportunity Cost _____

Why? _____



Marketing Strategies

Marketing involves all of the activities, including advertising, which help get the product to the consumers. *How you market a product will have a great effect on how profitable it will be.* You may have a wonderful product, but if it is not marketed well, you may not sell very many. Try a few of these examples with your classmates. Work with a partner or in small groups. Be prepared to present your marketing strategies to the class.

1. **Newspaper Ads** – On a piece of drawing paper, create an advertisement with all the necessary information needed to sell your product.
2. **Radio Ads** – Write a dialogue and/or jingle that could be used to sell your product on the radio.
3. **TV Ads** – Create a TV commercial for your product or service. Videotape it to show the class.
4. **Door to Door Selling** – Pretend you are the sales person and your partner is the customer. Give your sales presentation to your partner as if you had just knocked on the door trying to sell your product.
5. **Packaging** – How your product is packaged is crucial. Choose a particular good and draw how it will be packaged. Why are environmental and product safety concerns an issue with packaging?
6. **Product Displays** – Where and how your product is displayed in a store is also crucial to sales. How will you get a store to accept your product? How much shelf space will be reserved for it? Will the store let you put up any special displays? If not, are you willing to pay for a nice display area? How much? Create a display for your product. Draw how you would like it to be.
7. **Catalogs** – Many producers use catalogs to market their products. Design a catalog entry for a product. Make it as attractive and persuasive as possible so people will order *your* product instead of someone else's!