

Financial Literacy Unit Bundle

Financial Literacy

DAY 2
Lesson plan

TEKS: 4.10B Calculate profit in a given situation.

Calculate Profit

What I Will Learn

- Sales Price
- Costs
- Profit

TEKS 4.10B Calculate profit in a given situation. You will meet 6 entrepreneurs and see a product each one creates. Calculate the profit earned for selling each product.

Glossary to Define in Notebook:

- Revenue
- Profit
- Cost
- Entrepreneur
- Product
- Customer
- Market
- Supply
- Demand
- Competition
- Profit
- Loss
- Break-even
- Investment
- Return on Investment
- Net Income
- Operating Expenses
- Fixed Costs
- Variable Costs
- Opportunity Cost
- Depreciation
- Amortization
- Interest
- Taxes
- Subsidy
- Grant
- Loan
- Bond
- Stock
- Dividend
- Capital
- Equity
- Debt
- Liability
- Asset
- Balance Sheet
- Income Statement
- Statement of Cash Flows
- Statement of Financial Position
- Statement of Operations
- Statement of Retained Earnings
- Statement of Comprehensive Income
- Statement of Financial Performance
- Statement of Financial Position
- Statement of Operations
- Statement of Retained Earnings
- Statement of Comprehensive Income
- Statement of Financial Performance

Calculate Profit Powerpoint with students. This Powerpoint looks at 6 entrepreneurs as they create items and sell them. Students can follow along with the **Calculate Profit student recording sheet**.

Page 13: Grace made a cake for a baby shower. The items she purchased to make the cake are listed below.

Item	Cost
Ingredients	\$23.48
Cake Topper	\$14.99
Cake Stand	\$14.00

Page 14: Rick repairs and resells bikes.

Page 15: Rick repairs and resells bikes.

Page 16: Rick repairs and resells bikes.

Page 17: Rick repairs and resells bikes.

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Page 100: Rick repairs and resells bikes.

4th GRADE

Interactive PowerPoints

5 Ready-to-Go Interactive PowerPoint Lessons



Ivan builds guitars.

Here are the costs he had for building a guitar:

- Wood: \$78.05
- Paint: \$16.92
- Hardware: \$58.29

He sold the guitar for \$1,550.

What was Ivan's profit?

$$\begin{array}{r} 78.05 \\ 16.92 \\ + 58.29 \\ \hline 153.26 \\ 1,550.00 \\ - 153.26 \\ \hline \$1,396.74 \end{array}$$

Find the total cost to build a guitar.

Subtract the total cost from the sales price.

The result is Ivan's profit.

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Notebook Pages

To introduce each Financial Literacy Topic

4.10B

ALLOWANCE: *Spending, Saving & Sharing*

Think about how you can separate your allowance.

To be wise with your income or allowance, you need to think about how you will divide the money you have between _____ and _____.

SPENDING

Spending on _____ comes before spending on _____. It is important to plan spending to _____.

Things I **SPEND** money on:



SAVING

It is important to _____ for _____. It is important to save money for _____.

Things I will **SAVE** save for:



SHARING

It is important to _____ with others in need. _____ with others can _____. You can _____ to organizations to help others in your _____.

How I can **SHARE** money to help others:



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4.10B

CALCULATE

\$ collected from sales - \$ spent on supplies or labor

Calculate the profit earned in each scenario.

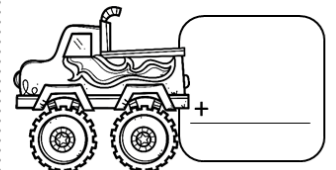
Eric purchased a truck, fixed it up and then sold it.



Purchase Price of Truck	\$2,500
Parts to Repair	\$2,035
Paint Job	\$595
Sales Price of Truck	\$7,500



1. Calculate Eric's **TOTAL EXPENSES**



2. Calculate Eric's **PROFIT**:

REVENUE (Sales Price)	
EXPENSES	
PROFIT	

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Engaging Games

Includes fun games to use at math stations to practice important skills

FIXED VS. VARIABLE EXPENSES

Spin the spinner to select a person. Roll the die to find a question. Use the expense tables to answer the question. If your answer is correct, move the number of spaces on the gameboard indicated after the question.

1	Name all of Juan's fixed expenses.	2
2	Name all of Juan's variable expenses.	2
3	Is Juan's rent payment a fixed or variable expense?	1
4	What is a Juan's most expensive fixed expense?	1
5	Is the amount Juan spends on health insurance a fixed or variable expense? Explain.	2
6	Is the amount Juan spends on car rental a fixed or variable expense? Explain.	2

JUAN'S Expenses

	MAY	JUNE	JULY
Rent	\$1,275	\$1,275	\$1,275
Power Bill	\$103.96	\$159.07	\$204.33
Health Insurance	\$45	\$45	\$45
Car Rental	\$187.36	\$257.99	\$207.10

MAYA'S Expenses

1	Name all of Maya's fixed expenses.	2
2	Name all of Maya's variable expenses.	2
3	Are Maya's groceries a fixed or variable expense?	2
4	What is the total amount Maya spends on fixed expenses each month?	2
5	Is the amount Maya spends on entertainment a fixed or variable expense? Explain.	2
6	Is the amount Maya spends on trash pick-up a fixed or variable expense? Explain.	2

JUAN'S Expenses

	MAY
Rent	\$895
Power Bill	\$60
Health Insurance	

LOGAN'S Expenses

1	Name all of Logan's fixed expenses.	2
2	Name all of Logan's variable expenses.	2
3	Is Logan's cell phone bill a fixed or variable expense?	1
4	What is a variable expense for Evelyn, but is a fixed expense for Juan?	3
5	Is the amount Evelyn spends on gifts a fixed or variable expense? Explain.	2
6	Is the amount Evelyn spends on her gym membership a fixed or variable expense? Explain.	2

LOGAN'S Expenses

	MAY	JUNE	JULY
Mortgage	\$1,800	\$1,800	\$1,800
Power Bill	\$193.54	\$254.64	\$178.00
Trash Pick-Up	\$29	\$29	\$29
Internet & TV	\$74.89	\$74.89	\$74.89
Groceries	\$199.80	\$257.06	\$221.56
Cell Service	\$95	\$115	\$95
	\$75	\$75	\$75

EVELYN'S Expenses

	MAY	JUNE	JULY
Rent	\$1,050	\$1,050	\$1,050
Power Bill	\$48.28	\$55.61	\$50.38
Health Insurance	\$50	\$50	\$50
Car Rental	\$104.78	\$161.05	\$159.24
Groceries	\$175.33	\$163.01	\$180.63
Cell Service	\$45.00	\$33.87	\$0
	\$65.34	\$65.34	\$65.34

MARVEL Math

Organized & Easy to Use

Exit tickets help you see student mastery at a glance

4th Grade Personal Financial Literacy *tested* TEKS Tracking Sheet	4.10A Distinguish between fixed and variable expenses				4.10B Calculate profit in a given situation				4.10E Purpose of financial institutions: including keep \$ safe, borrowing, and lending			
	1	2	3	4	1	2	3	4	1	2	3	4
Exit Slip # →												
Alexander	1	1	1		1	1	1	1				
Valeria	0	½	½		0	0	½	1				
Jaekwon	1	1	1		1	1	1	1				
Chantal	1	1	1		1	1	1	1				
Marco	½	½	1		0	½	1	1				
Enrique	1	1	1		1	1	1	1				

Name:

FINANCIAL LITERACY 4.10A #2

Distinguish between fixed and variable expenses.

1. Which of the following is NOT usually a variable expense?

- A. Dining Out
- B. Gas
- C. Clothes
- D. Rent

2. True or False:

Name:

FINANCIAL LITERACY 4.10B #3

Calculate Profit

Mr. Fisher repaired a bicycle.

- Cost of old bicycle: \$20.00
- Cost of supplies to repair: \$42.65

Mr. Fisher sold the bicycle for \$200.

What was Mr. Fisher's profit?

Task Cards

Print and
Digital versions
included



4 FINANCIAL LITERACY

Cell Phone Bills

Month	Liam	Chloe
June	\$62	\$75
July	\$58	\$75

5 FINANCIAL LITERACY

Transportation Cost

Month	Rachel	Rashad
January	\$25	\$293
February	\$25	\$314
March	\$25	\$287

Whose transportation cost was the highest?

6 FINANCIAL LITERACY

Damian's pool loan payment is a fixed expense. Which of the following could be a list of Damian's last 4 loan payments?

7 FINANCIAL LITERACY

The computer lab pays for computer repairs every month. The computer repair bills for the last 3 months are listed below.

August: \$842

8 FINANCIAL LITERACY

Expense	May	June	July
Mortgage	\$1,700	\$1,700	\$1,700
Electric Bill	\$220	\$220	\$220
Cell Phone	\$105	\$105	\$105
Gas	\$125	\$208	\$178
	\$406	\$453	\$451

9 FINANCIAL LITERACY

Matthew built a playhouse to sell. The supplies he purchased to build the playhouse are listed.

Item	Cost
Wood	\$105.00
Windows	\$78.89
Fabric	\$26.25
Paint	\$25.40

Matthew sold the playhouse for \$500. What was his profit?

Name: Bailey

FINANCIAL LITERACY review

Show your work or justify your answers in the boxes. Some problems do not require you to show work. Record all your answers HERE.



1 C	2 B, D, E	3 A
4 B	5 B	6 A
7	8	9
10	11	12

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Vocabulary Bunting

Support your students during your Financial Literacy Unit

INCOME

Money received as a result of working



ALLOWANCE

Part of income, usually for doing chores



FIXED EXPENSES

Same amount every month

Month	House Payment	Home Repairs
March	\$1,024	\$289
April	\$1,024	\$0
May	\$1,024	\$1,743

VARIABLE EXPENSES

Vary in cost from month to month

FINANCIAL INSTITUTION

A place that gives loans, takes deposits and helps with investments.



CREDIT UNION



BANK

SAVINGS ACCOUNT

An account you deposit money into. Money can be taken out at any time. The money in the account earns interest.



Month of April	
Beginning Balance	\$1,000.00
Interest Earned	\$0.75
Ending Balance	\$1,000.75

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CERTIFICATE OF DEPOSIT (CD)

You deposit money and it must be left in the account for a certain amount of time.

\$1,000.00
\$27.00
\$1,027.00

BOND

Bonds are an I.O.U. that function as a loan. Bonds can be sold by the government or businesses. The bond matures on a certain date and can be turned in for a set value.

Paid \$50 in 2019



Will get \$100 in 2039



INTEREST

Interest is paid for the use of money.



You can **earn interest** on money in a CD or savings account.

You **pay interest** on money you borrow when you get a loan.



DEPOSIT

A deposit is when you put money into an account.



Bank of Texas

Account Balance	\$3,200.00
Deposit	+ 250.00
New Balance	\$3,450.00

WITHDRAWAL

A withdrawal is when you take money out of an account.



Bank of Texas

Account Balance
Withdrawal
New Balance

Worksheets Students Love

To practice skills they need

Name: _____

ing Out  Variable	3. Electric Bill  Variable
Car Repairs  Variable	6. Car Payment  Fixed
Mortgage  Fixed	9. Groceries  Variable
11. Trash Service  Fixed	12. Health In  Variable

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Profit with a Purpose

Calculate Profit & Make Decisions about Spending, Saving and Sharing

4.10B
4.10D

Name: **Charlie**

Calculate the profit you made from repairing and reselling a bike.

- You purchased an old bike for \$10.
- You spent \$13 on new parts to fix the bike.
- You spent \$20 on new tires for the bike.
- Then you sold the bike for \$80.

My profit from repairing
and reselling the bike is
\$37.

Decide what you will do with your profit from the bike project. Allocate your profit between the amount you will save, share and spend. Describe how the money in each category will be used.

Amount I will

SAVE

\$27

I am saving for:

college, so that
I won't have
to take out
student loans.

Amount I will

SHARE

\$5

I will share with:

my church,
because they
are raising
money to buy
school supplies
for kids in
Honduras.

Amount I will

SPEND

\$10

I will spend money on:

a new pencil
sharpener and
snacks at my
brother's
basketball
game.

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the Bank

s and Tasks of Banks

Name _____

the sentences to find the words you need to loc
 sentence with a phrase, search for the entire
 phrases may be hidden horizontally, vertically, d

to the bank and put money into my account, I ar
 institution that performs the same tasks as a ba
 n, is called a credit union
withdraw money from my account
 dit union will keep money I deposit safe
 money for a large purchase like a car or home, I
 my savings account earns interest

O	A	G	E	F	A	S	Y	N
S	A	R	F	J	Z	L	X	K
R	E	D	I	T	U	N	I	O
E	W	E	R	N	K	P	O	A
Z	T	P	I	S	T	V	K	Z
T	H	O	B	R	I	E	J	W
D	M	S	N	P	Z	N	R	T
A	P	I	T	E	C	R	S	E
I	I	T	H	D	R	A	W	O
Z	M	P	A	E	R	T	Y	V

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2 Versions of the Unit Test

Printable PDF and Self-Grading
Google Forms for Both Versions

FINANCIAL LITERACY TEST #1

8. Mr. Timmons is buying a home. Which of the following is **NOT** a service Mr. Timmons would go to his bank for?

- A. Select a home alarm system for his new home.
- B. Talk to a loan officer about taking out a home loan.
- C. Check his account balance to make sure he has money for a down payment on his home.
- D. Deposit money to be transferred to the company he is buying his home from.

9. Shelby is buying a car. Which of the following is a reason Shelby would go to her bank?

- A. Test drive cars she is considering for purchase
- B. Apply for a car loan
- C. Buy a car warranty
- D. All of the above

Mrs. Ruiz buys and sells antiques. Mrs. Ruiz bought a silver tray, silver teapot, and tea set for \$50.00. She then sold each item for the price shown on the list.

- She sold the silver tray for \$70.50.
- She sold the silver teapot for \$50.95.
- She sold the tea set for \$63.25.

What was Mrs. Ruiz's total profit from selling the silver tray, teapot and tea set?

- A. \$184.70
- B. \$45.00
- C. \$229.70
- D. \$139.70

Which correctly describes the purpose of financial institutions, such as banks and credit unions?



- ☐ A place where customers can go to purchase items they need.
- ☐ A place where customers can deposit money into accounts that earn interest or borrow money.
- ☐ A place where customers can apply for acceptance at a college or university.
- ☐ A place where customers can buy and sell antique items, including coins.

#8 [TEKS 4.10E]

10 points

Mr. Timmons is buying a home. Which of the following is **NOT** a service Mr. Timmons would go to his bank for?



- ☐ Select a home alarm system for his new home.
- ☐ Talk to a loan officer about taking out a home loan.
- ☐ Check his account balance to make sure he has money for a down payment on his home.

Mr. Jeffries' Expenses



Fixed Expenses:

Student Loan: \$1,775.37

Car Payment: \$463

Rent: \$1,395

Mr. Jeffries likes to golf, fish, go to the movies, and visit museums. He spends a different amount each month on these activities. This month he spent \$152.90.

Variable Expenses:

Groceries: \$392.32

Electric Bill: \$204.26

Entertainment: \$152.90

Fixed

Same amount every month.



Variable

Different amount every month.



Is the amount he spends on entertainment a fixed or variable expense?

Learn about
Fixed vs. Variable Expenses

Meet Mr. Jeffries

Fixed vs. Variable Expenses
Purpose of Banks

Name: _____

Record the important tasks performed by banks and Mr. Jeffries' fixed and variable expenses.

Tasks Performed by Banks

Mr. Jeffries' Fixed Expenses

Fixed Expenses _____
They are usually for _____ but sometimes for _____

Mr. Jeffries' Variable Expenses

Variable Expenses _____
They are often for _____ but also for _____

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PowerPoint #2



Lilliana knits unique blankets.

Here are the costs she had for creating a blanket:

- Wool: \$43.06
- Packaging: \$9
- Shipping Cost: \$14.92

She sold the blanket on Etsy for \$155 including shipping. What was Lilliana's profit?

43.06

9.00

+ 14.92

66.98

155.00

- 66.98

\$88.02 ←

Find the total cost to make a blanket.

Subtract the total cost from the sales price.

The result is Lilliana's profit.

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Calculate Profit

Name: _____

Use the space below to calculate the profit earned by each entrepreneur.

What is Louis' profit? Costs: Leather: \$25.75 Sole of Shoes: \$3.40 Laces: \$4.50 Sales Price: \$39	What is Lilliana's profit? Costs: Wool: \$43.06 Packaging: \$9 Shipping Cost: \$14.92 Sales Price: \$155
What is Kara's profit? Costs: Clip art/photos: \$144.99 E-commerce software: \$225 Domain registration: \$9.99 Sales Price: \$2,500	What is David's profit? Costs: Flowers: \$24.62 Greenery: \$3.50 Vase: \$0 Sales Price: \$65
What is Dominique's profit? Costs: Fabric: \$286.56 Reading: \$385.70 Notecard: \$24.56 Sales Price: \$2,200	What is Ivan's profit? Costs: Wool: \$78.05 Paint: \$6.92 Sawdust: \$58.24 Sales Price: \$350

Real Situations to Calculate Profit

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Meet Grace

Which of these savings options is best for Grace?



Savings Account

0.08 % Earned:
\$20,000
deposited will be
worth
\$20,322.44
in 20 years.



20 year CD

3.5 % Earned:
\$20,000
deposited will
be worth
\$39,795.78
in 20 years.



U.S. Treasury Bond

\$20,000 spent
will get a bond
worth
\$40,000
in 20 years.

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Savings Options

Complete the graphic organizer to compare various savings options.

	Potential to earn money	Risk: Can I lose money?	Do I have access to my money?
Piggy Bank			
Savings Account			
Certificates of Deposits (CDs)			
Bonds			
Investments in the Stock Market			

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Compare the
Advantages and
Disadvantages of
Savings Options

PowerPoint #4

Your Money

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The third category to consider is...

Let's talk about spending wisely!



Saving

Save money for larger purchases, for college, and to invest.



Sharing

Give money to help others who are in need.



Spending

Spend money on your needs and then your wants as your budget allows.

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Saving, Sharing & Spending

Allocating Your Allowance
Record important information from the PowerPoint

Splitting My Money into Categories



What can you do with money you save?

How does Habitat for Humanity help others?

How does the Red Cross help others?

What are things people save for?

How does World Vision help others?

Think about the items pictured as needs in the spending slides. Name 4 items.

- 1
- 2
- 3
- 4

Name 4 items you want.

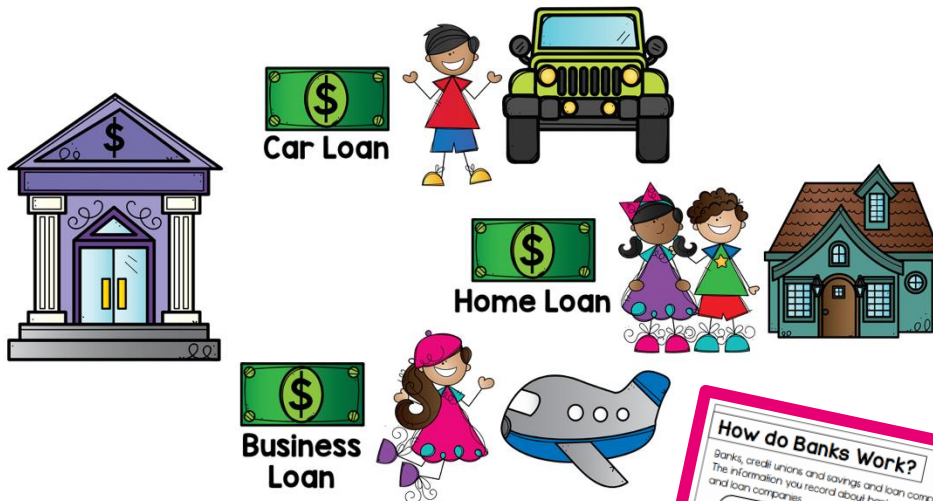
- 1
- 2
- 3
- 4

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Thinking about
Saving, Sharing & Spending money

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Then banks lend money to people to buy homes or cars, or to businesses or governments for large projects or purchases.



Purpose of Banks:
Keeping Money
Safe, Borrowing
Money and Lending

How do Banks Work? Name: _____

Banks, credit unions and savings and loan companies have the same basic purpose. The information you record about banks also applies to credit unions and savings and loan companies.

1

2

3

4

5

6

Beginning Balance \$100.00
 Interest earned \$ 0.85
 Ending Balance \$100.85

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About the Author

This resource was created by Melissa Johnson, who has 16 years of k-10 teaching experience and a masters degree in Mathematics Education. Her resources build conceptual understanding, make connections between math topics and engage students in the mathematics they are learning.

