Risky Smoothie Cart

Identify why a new business may not earn a profit.

SS.4.FL.1.7 "Entrepreneurs are people who start new businesses. Entrepreneurs do not know if their new businesses will be successful and earn a profit. Identify ways in which starting a business is risky for entrepreneurs."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline each detail that shows a way Malik could lose money or not earn a profit. Number the details you underline.

Malik Starts a Cart

1 Malik wanted to start a Saturday smoothie cart at the community soccer field. He planned to buy a blender, fruit, cups, and a cooler before selling his first drink. He used money he had saved from chores and borrowed some money from his aunt. Malik hoped that customers would pay enough to cover his costs and leave money left over as profit.

2 Starting the cart was risky because Malik did not know how many people would buy smoothies. Rain could keep soccer games away, and families might bring their own drinks. Another cart could sell juice nearby. If too few customers came, the fruit could spoil before he sold it. Then Malik could lose the money he spent on supplies.

3 Malik also had costs even on a slow day. He needed to pay for fruit, ice, cups, and a space fee at the field. His aunt expected her loan to be paid back. Malik could try to lower risk by starting with a small amount of fruit, checking the weather, and asking players which flavors they wanted. These choices could help, but they could not promise a profit.

2 ANSWER WITH EVIDENCE

Use the passage

1. Why was buying the blender, fruit, cups, and cooler risky for Malik?

2. How could rain make Malik's new business risky?

3. What could happen if too few customers came to the cart?

4. Name two choices Malik could make to lower risk. Why would those choices still not guarantee a profit?

3 YOUR TURN

Your own words

Imagine Rosa starts a weekend pet-walking business. Write exactly 3 sentences that tell two ways her business could be risky and one choice she could make to lower a risk. Explain why her choice still cannot guarantee a profit.

ANSWER KEY **Risky Smoothie Cart** GRADE 4 · SS.4.FL.1.7

PART 1 · READ AND MARK

Underline each detail that shows a way Malik could lose money or not earn a profit. Number the details you underline. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Why was buying the blender, fruit, cups, and cooler risky for Malik?	**He had to spend money before knowing whether he would sell enough smoothies to cover those costs and earn a profit.**
2	How could rain make Malik's new business risky?	**Rain could keep soccer games away, so fewer customers might come to buy smoothies.**
3	What could happen if too few customers came to the cart?	**The fruit could spoil before Malik sold it, and he could lose the money he spent on supplies.**
4	Name two choices Malik could make to lower risk. Why would those choices still not guarantee a profit?	**He could start with a small amount of fruit, check the weather, or ask players about flavors. Customers still might not buy enough smoothies, so he might not earn a profit.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Rosa may pay for leashes and flyers, but not enough neighbors may hire her. Bad weather could cancel walks and leave her with less money than she spent. She could ask neighbors to sign up first, but some might still cancel, so a profit is not guaranteed.

Accept other reasonable risks that involve uncertain customers, costs, lost or spoiled supplies, competition, weather, or repaying borrowed money. For Part 3, accept exactly three sentences that include two plausible risks, one risk-reducing choice, and a clear statement that profit is still uncertain.