Profit Sparks Ideas

Read how a business owner weighs reward and risk.

SS8E2.a "Describe how profit is an incentive for entrepreneurs."

NAME ______________________________ DATE ______________

1 READ AND MARK

Read it twice

YOUR JOB Underline each detail that shows how Maya could earn or use profit. Circle each detail that shows a cost or risk that could affect her profit.

A Breakfast Cart Idea

1 An entrepreneur starts a business by noticing a need and deciding to take a risk. In Columbus, Maya saw that students wanted quick, affordable breakfast before school. She rented a small cart, bought ingredients, and sold fruit cups and muffins near a bus stop. The money customers paid was her revenue. From that revenue, Maya had to pay for food, cart supplies, permits, and worker wages. These business costs mattered before she could tell whether the idea earned money.

2 After a month, Maya added her revenue and subtracted all her costs. The money left was profit. Profit was not the same as sales, because a business can collect money from customers and still spend more than it earns. Maya made a profit when her breakfast cart brought in more money than it cost to operate. That result showed that her work had produced a financial reward. It also gave her a reason to keep improving the business.

3 Profit can encourage entrepreneurs to accept uncertainty because they may earn a reward if an idea succeeds. Maya used part of her profit to buy a cooler, which let her prepare more fruit cups safely. She considered adding a second cart, but she knew profit was not guaranteed. Bad weather, higher food prices, or fewer customers could reduce it. The chance to earn profit motivated Maya to plan carefully, serve customers well, and look for ways to grow.

2 ANSWER WITH EVIDENCE

Use the passage

1. What did Maya do to find out whether her cart made a profit?

2. Why is revenue from sales not always the same as profit?

3. How did the possibility of profit influence Maya's decisions about her business? Give two details from the passage.

4. Name one risk that could reduce Maya's profit, and explain why it could affect her profit.

3 YOUR TURN

Your own words

Invent a small business idea. Write exactly three sentences that identify how the business earns revenue, name two costs, and explain how the chance to earn profit would motivate the entrepreneur.

ANSWER KEY Profit Sparks Ideas **GRADE 8 · SS8E2.a**

PART 1 · READ AND MARK

Underline each detail that shows how Maya could earn or use profit. Circle each detail that shows a cost or risk that could affect her profit. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What did Maya do to find out whether her cart made a profit?	**She added her revenue and subtracted all of her business costs.**
2	Why is revenue from sales not always the same as profit?	**A business may collect money from customers but spend more than it earns on costs.**
3	How did the possibility of profit influence Maya's decisions about her business? Give two details from the passage.	**Possible profit motivated Maya to improve and grow the business. She bought a cooler and considered adding a second cart.**
4	Name one risk that could reduce Maya's profit, and explain why it could affect her profit.	**Answers include bad weather, higher food prices, or fewer customers. Each could lower sales or raise costs, leaving less money after costs.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Jordan plans a bicycle repair stand and earns revenue when customers pay for repairs. Costs include tools and replacement parts. The chance to earn a profit motivates Jordan to offer reliable service and advertise locally.

Accept any realistic business example that correctly distinguishes revenue from costs and explains that possible profit motivates action, improvement, or risk-taking. The response must contain exactly three sentences and name two costs.