The Repair Stand

Spot the possible benefits and risks of starting a business.

5.SS.3.5 "Identify economic incentives and risks of entrepreneurship."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline three possible benefits of Mr. Chen's business, and circle three things that could cost him money or reduce his sales.

Bikes at the Market

1. On Saturdays, Mr. Chen sees neighbors pushing bikes with flat tires to a distant shop. He decides to start a bike repair stand at the weekend market. He wants to earn money from repairs, and he likes choosing his own work hours. He also hopes a nearby stand will save neighbors a long trip. These possible benefits give him reasons to start a business.

2. Before opening, Mr. Chen pays for a market space and buys tools and spare tubes. He must pay for the space even if no one brings a bike. When a customer pays for a repair, that money helps cover his costs. Only the money left after paying his costs is profit. If too few customers visit, he could lose some of the money he spent.

3. At the first market, several customers ask for quick repairs. Mr. Chen thinks happy customers may return or tell friends about his stand. Still, rain could keep people away on another Saturday. A nearby shop might also lower its prices, drawing customers from his stand. Mr. Chen cannot know how much he will earn, so he plans to buy more supplies only when he needs them.

2 ANSWER WITH EVIDENCE

Use the passage

1. Name two possible benefits that give Mr. Chen reasons to start his stand.

2. Why is paying for a market space a risk for Mr. Chen?

3. How could rain affect the money Mr. Chen earns?

4. Why might a nearby shop lowering its prices be a risk for Mr. Chen?

3 YOUR TURN

Your own words

Imagine you start a small business that is different from Mr. Chen's. In four or five sentences, name your business, explain two reasons you would start it, identify two risks, and describe one way to lower a risk.

ANSWER KEY

The Repair Stand

GRADE 5 · 5.SS.3.5

PART 1 · READ AND MARK

Underline three possible benefits of Mr. Chen's business, and circle three things that could cost him money or reduce his sales. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Name two possible benefits that give Mr. Chen reasons to start his stand.	**He could earn money and choose his own work hours. Saving neighbors a long trip is also acceptable.**
2	Why is paying for a market space a risk for Mr. Chen?	**He must pay for the space even if no customers bring bikes.**
3	How could rain affect the money Mr. Chen earns?	**Rain could keep customers away, so he might earn less from repairs.**
4	Why might a nearby shop lowering its prices be a risk for Mr. Chen?	**Customers might choose the cheaper shop instead, reducing his sales.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would start a plant-watering service for neighbors who travel. I could earn money, and I would enjoy caring for plants. One risk is that few neighbors might need help. Another risk is that I might have to replace a plant if I forget to water it. I would start with just two customers so I can keep track of every plant.

Accept other passage-supported benefits and risks in the marking job. For Your Turn, accept realistic business ideas with two clear incentives, two plausible risks, and a step that addresses one of those risks.