The Repair Shop

Explore the choices behind a small business

4.C.4.1 "Describe the features of a market economy and evaluate common benefits and tradeoffs. Define a market economic system, explaining how the United States of America's market system encourages free enterprise, economic development..."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline one choice about making repairs, one about where customers get repairs, and one about using the service. Circle one possible benefit and one possible tradeoff of running the shop.

Nia's Bicycle Repair Shop

1. In a U.S. town, Nia decides to open a bicycle repair shop. She sees that neighbors need safe bikes to get to school and work. In a market economy, people can start businesses and choose what to buy or sell. This freedom is called free enterprise. Nia owns her tools as private property and chooses how to use them. She hopes the shop will earn money for her family.

2. Nia needs several things to produce repair services. She rents space for an outdoor work area, which is land, and buys wrenches and a repair stand, which are capital. Her time and her worker's time are labor. As an entrepreneur, Nia brings these resources together and takes the risk of opening the shop. She decides which repairs to offer and how many bikes her team can fix each day.

3. Nia decides to offer repairs at her shop, so customers know where to get the service. Customers decide whether to pay for a repair or fix a bike themselves. When Nia fixes a customer's bike, that customer uses her service. If many people buy repairs, Nia may hire another worker, creating a job. But another shop might offer lower prices, and Nia might earn less than she hoped.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do Nia's tools and her choice to open a shop show private property and free enterprise?

2. Compare the jobs of land, capital, and labor in Nia's shop. What does Nia do as an entrepreneur?

3. What is one possible benefit and one possible tradeoff of running Nia's shop? Explain each.

4. Identify one choice about producing repairs, one about where to offer them, and one customer choice about using them.

3 YOUR TURN

Your own words

Invent a small business other than a bike repair shop. In one paragraph, explain how its owner combines land, labor, and capital, makes a choice using free enterprise and private property, gets a good or service to customers, and faces one possible benefit and one tradeoff.

ANSWER KEY

The Repair Shop

GRADE 4 · 4.C.4.1

PART 1 · READ AND MARK

Underline one choice about making repairs, one about where customers get repairs, and one about using the service. Circle one possible benefit and one possible tradeoff of running the shop. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do Nia's tools and her choice to open a shop show private property and free enterprise?	**Nia owns her tools and chooses how to use them. Free enterprise lets her decide to open a shop.**
2	Compare the jobs of land, capital, and labor in Nia's shop. What does Nia do as an entrepreneur?	**Land provides work space, capital provides tools, and labor is the workers' time. Nia brings them together and takes the risk of opening the shop.**
3	What is one possible benefit and one possible tradeoff of running Nia's shop? Explain each.	**If many people buy repairs, Nia may create a job. If another shop offers lower prices, Nia may earn less than she hoped.**
4	Identify one choice about producing repairs, one about where to offer them, and one customer choice about using them.	**Nia chooses which repairs to offer, chooses to offer them at her shop, and customers choose whether to pay for a repair or fix a bike themselves.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Jules opens a bread stand on a rented patch of land. Jules and a helper use their labor to bake bread with an oven and pans, which are capital. Jules owns the oven and chooses what bread to sell. Customers get bread at the stand and eat it at home. If many people buy bread, Jules can earn money and hire another helper. If few people buy it, Jules may lose money after paying for flour and rent.

For Part 1, accept choices that show production, where customers get the service, and consumption, along with a reasonable benefit and tradeoff from the passage. For Part 3, accept other workable businesses if each factor and choice has a clear role.