

Choices Build Businesses

Read how people, businesses, and government interact in a free enterprise system.

5.10.B “describe how the free enterprise system works in the United States; and”

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline one sentence that shows private ownership or choice. Then number three details: write 1 by competition, 2 by profit, and 3 by a government rule, to show how the free enterprise system works.

Businesses on Maple Street

- ① On Maple Street, three people own different food businesses. Ana owns a bakery, Malik owns a taco stand, and Jun owns a small grocery. In the United States, people may start, own, and manage many businesses. This private ownership is part of the free enterprise system. Owners choose what to sell, how much to charge, and whom to hire.
- ② Customers also make choices. A family compares the bakery's bread with rolls from the grocery and decides which item to buy. Each business tries to attract customers by offering prices, quality, or service that people want every day in their neighborhoods. Because businesses compete for customers, owners have reasons to improve their products or adjust their prices.
- ③ Business owners hope to earn a profit, which is money left after they pay costs such as ingredients, wages, and rent. If a business loses customers, the owner may change a product or lower a price. Government does not run most businesses, but it makes and enforces laws. For example, food businesses must follow safety rules and pay required taxes.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 What freedom do people have in the United States that allows Ana, Malik, and Jun to run their businesses?

2 How does the family's decision about bread or rolls show the role of customers in a free enterprise system?

3 Why do businesses compete for customers, and name one change an owner might make because of competition.

4 What is one job of government in the free enterprise system, according to the passage?

3 YOUR TURN _____ Your own words

Write exactly three sentences about a new business, not a food business. Show the owner's choice, how competition or customer choices could affect the business, and one government responsibility.

PART 1 • READ AND MARK

Underline one sentence that shows private ownership or choice. Then number three details: write 1 by competition, 2 by profit, and 3 by a government rule, to show how the free enterprise system works. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What freedom do people have in the United States that allows Ana, Malik, and Jun to run their businesses?	People may start, own, and manage businesses.
2	How does the family's decision about bread or rolls show the role of customers in a free enterprise system?	Customers can compare choices and decide which products to buy.
3	Why do businesses compete for customers, and name one change an owner might make because of competition.	Businesses compete to attract customers. An owner might improve a product or adjust a price.
4	What is one job of government in the free enterprise system, according to the passage?	Government makes and enforces laws, such as food safety rules, and requires taxes.

PART 3 • YOUR TURN (SAMPLE ANSWER)

Elena opens a bicycle repair shop and chooses the prices for fixing bikes. When another shop offers faster repairs, Elena improves her service to attract customers and earn a profit. She follows applicable laws and pays required taxes.

Accept answers that accurately explain private ownership, consumer choice, competition, profit, and the government's role in making and enforcing laws. For Your Turn, accept different realistic businesses and effects as long as all three requested parts are included.