

Free Enterprise--Product Cost

Summary

In this lesson students will determine the individual costs for various food items.

Main Core Tie

FCS Exploration

[Strand 4 \(Note: Start of FCS explorations part B\) Standard 2](#)

Time Frame

1 class periods of 45 minutes each

Group Size

Individual

Life Skills

Thinking & Reasoning, Social & Civic Responsibility, Employability

Materials

Worksheets for students.

Student Prior Knowledge

Basic math, overview of free enterprise.

Intended Learning Outcomes

Apply basic math skills in computing a product cost.

Instructional Procedures

1. Introduce the topic of free enterprise by discussing all the costs associated with producing a single product. Have the students decide on an item they would like to produce, then determine all the expenses the producer will incur.
2. Pass out the worksheet and go through one or two problems with them. Decide if it is easier to determine the full cost and then to divide, or to do each item individually.
3. Students must apply math skills at various levels along with logic and reasoning.
4. Correct the paper together.
5. Students will then begin preparing their own lists for their chosen products.

Nothing is free when it comes to production. You need to account for the various ingredients and supplies. Determining the cost per item is essential before deciding on a price to charge consumers. Other factors may change the price: differences in supplier, sale prices, qualities, etc. Look for the lowest prices on your raw goods so that your final product will realize a larger profit for the company.

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