



## Becoming a Business | Lesson Plan

How can forming a business entity protect and enhance the success of a business?

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Students will understand the importance of forming a business entity and how different types of entities can impact the business owner's liability, taxes, and business operations.

### Learning Objectives:

- List the different types of business entities and their basic characteristics.
- Explain the concept of limited liability and how it benefits business owners.
- Differentiate between sole proprietorships, LLCs, and corporations, using specific examples.
- Compare and contrast the advantages and disadvantages of each business entity type.
- Develop a plan for a hypothetical business, choosing the most appropriate entity type and justify the choice.

### Key Vocabulary:

- **Sole Proprietorship:** Business owned and operated by one person.
- **Limited Liability Company (LLC):** Business model shielding personal assets from company debts.
- **Corporation:** Independent business, shareholders own.
- **Incorporation:** Process to form a corporation.
- **Personal Liability:** Individual's risk for business debts.
- **Corporate Veil:** Legal barrier protecting personal assets.
- **Double Taxation:** Businesses and owners taxed separately.
- **Business Entity:** Official form of a business.

**Educational Standards:** CCRA.R.1, CCRA.SL.1, CCRA.L.3, CCRA.W.2, CCRA.W.4

**Academic Subject Areas:** Financial Literacy, Entrepreneurship, Finances

### What You'll Need

- Video: Ca\$h Cour\$e: Building a Business (Watch [Here](#))
- Worksheet: Ca\$h Cour\$e: Consumer Protections (Click [Here](#))
- Classroom whiteboard and dry-erase markers (Or a technology resource if available).

### Lesson Plan (45 mins.)

Warm-up: (15 mins)

1. Begin with a brief discussion on why someone might start a business and what considerations they must take into account (e.g., type of business, scale, risk).



2. Introduce the key vocabulary terms related to business entities.
3. Provide a clear and concise explanation of each business entity: Sole Proprietorship, LLC, and Corporation.
4. Discuss the concept of limited liability and how it contrasts with personal liability.
5. Highlight the process of “incorporation” and what it means for a business and its owners.

Watch and Discuss: (15 mins)

1. Watch the video *Ca\$h Cour\$e: Becoming a Business*.
2. Hand out the worksheet containing the vocabulary matching and multiple choice questions.
3. Walk through the first one or two questions with the entire class, then allow students to complete the rest individually or in pairs.
4. Circulate the room to provide assistance and clarify any misunderstandings.

Wrap-Up: (15 mins)

1. Allow time for students to complete the Application section of the worksheet "Business Structure Decision Chart" and discuss their choices.
2. Encourage students to apply what they've learned about business entities to these real-world scenarios.
3. Collect the worksheets as a formative assessment.
4. Summarize the day's lesson, emphasizing the importance of choosing the right business entity to protect personal assets and facilitate business growth. Encourage students to think like entrepreneurs and consider how the choice of business structure can impact their future ventures.

**Don't have time for the full lesson? Quick Activity (10-15 mins.)**

Distribute the worksheet and allow students to complete it while they follow along with the video. Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.