

Alana, the Online Entrepreneur

Key financial ideas

- ★ Profit or loss equals selling price minus cost price and any other expenses.
- ★ Entrepreneurs need to have many skills and be prepared to take risks.

You need

- ★ 2–3 players
- ★ \$220–\$275 in \$1 and \$10 notes (NDP material master 4–9) for the kitty
- ★ two 10-sided dice
- ★ an ice cream container (for the kitty)
- ★ a jar (for Alana's money)
- ★ a paper clip and a pencil

Game



I'm going to raise money for our holiday by selling some of the things we don't use any more in an Internet auction. Dad's going to let me use his online account.

The aim of this game is to make money by buying the items Alana is selling in the auction and reselling them for a profit. You will have to decide whether or not to spend money doing up the item before you resell it.

How to play

Each player starts with \$55. Put the rest of the money (\$110) in the kitty (the ice cream container). Use this money if you need change and to get money when you resell your item. The jar is for collecting the money that Alana gets from her auctions.

There are 6 rounds in this game, one for each of the items Alana sells. To find out how to play, follow the instructions for the first item, which is the bike that Alana has put up for auction.

First round (bike):

- Throw the two 10-sided dice and add the numbers together to find out what Alana's starting price for the bike is.
- Players can now say their bid for the item. The bidding keeps going until nobody wants to bid higher. The person with the highest bid then pays Alana by putting the correct amount of money in the jar.

Make sure you don't bid more money than you have!



- Using a pencil, a paper clip, and one of the spinners below, the winner of the auction can now put the item up for sale to try to make a profit for themselves. They can choose to resell the item “as is” or to spend some money doing up the item to try to get a higher price.



Use this spinner if you decide to resell the item “as is”:



Your chance of getting a:	
\$20 profit	is 10%
\$10 profit	is 15%
\$5 profit	is 25%
\$0 profit	is 25%
\$5 loss	is 15%
\$10 loss	is 10%.

Use the spinner below if you decide to do the item up before reselling it. You must pay “do up” costs of \$10 into the kitty before you have your spin.

Your chance of getting:	
\$30 more than the purchase price	is 25%
\$20 more than the purchase price	is 25%
\$10 more than the purchase price	is 20%
\$5 more than the purchase price	is 10%
\$0 more than the purchase price	is 10%
\$5 less than the purchase price	is 10%.



- After your spin, the other players work out how much money you are owed and give it to you out of the kitty.



You paid \$30 for the bike, and the spinner landed on \$20 profit. That means you get \$50 from the kitty!

- Repeat the process for the rest of the items. The winner is the person who makes the most money buying and reselling items.



I paid \$43 for the mini-kitchen and decided to spend \$10 to do it up before reselling. But then the spinner landed on \$5 less than the purchase price, which means I only got \$38 back from the kitty. If I take off the \$10 that I spent doing up the mini-kitchen, that means I made a loss of \$15!



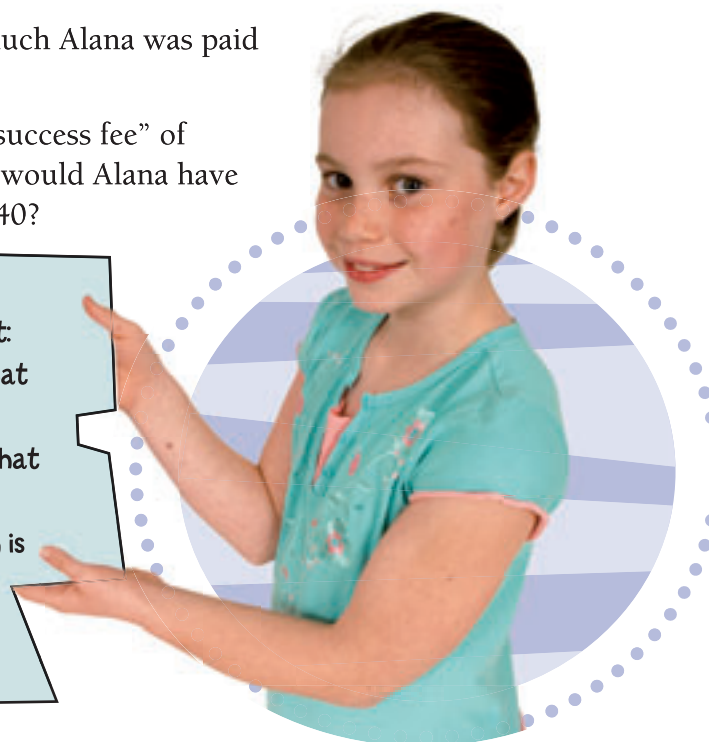
Activity

After the game

- Count the money in the jar to find out how much Alana was paid altogether for the items that she sold.
- The Internet auction owners charge Alana a “success fee” of 5 percent of her earnings. How much money would Alana have left to put towards the holiday if she made \$240?

There are lots of ways to work out 5 percent of the amount:

- working out 10 percent in your head and halving that to get 5 percent
- working out 50 percent in your head and dividing that by 10 to get 5 percent
- working out one-twentieth (because one-twentieth is equivalent to 5 percent) by dividing by 20
- using a calculator to multiply the amount by 0.05 (because 0.05 is equivalent to 5 percent).



- What did you do to work out whether you made a profit or a loss when reselling an item?
 - Write definitions for the words “profit” and “loss”.
 - What are the benefits and risks of spending money to do an item up before reselling it?
 - What advice could you give someone who is about to play this game to help them win?

Reflective question

★ What does “Being an entrepreneur can be risky” mean?