

# THE ENTREPRENEUR\*

Siyavula Uploaders

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ECONOMIC AND MANAGEMENT SCIENCES

Grade 4

HOW PEOPLE MAKE A LIVING

Module 3

THE ENTREPRENEUR

Entrepreneurship

We saw in the first two modules that all people try to achieve the highest standard of living that is possible for them. To be able to do this, they have to earn money by working for it. Some people know from childhood what work they want to do, but others only make this important decision once they have left school. Do you know what you would like to do one day?

Here are some examples of what you might become:

If you like working with your hands and are interested in machinery, you could consider becoming one of the following:

engineer

car mechanic



Figure 1

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Perhaps you like plants and could become a:  
florist

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manager of your own nursery  
farm manager  
botanist

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Figure 2

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If you like working with numbers:  
bank teller  
clerk  
actuary  
accountant

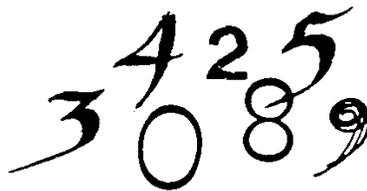


Figure 3

If science fascinates you: scientist  
laboratory assistant  
pharmacist  
medical practitioner  
There also are many more possibilities.

All people, as we have mentioned before, do not work for large firms. Many decide to start their own businesses. They are called entrepreneurs.

## 1 The entrepreneur

We need entrepreneurs in our country. The government and the owners of larger businesses are not able to provide enough work for everyone. People need to create their own work and use their own talents to create job opportunities for themselves and also for other people.

Being self-employed (working for yourself) has many advantages. Can you think of some of these advantages? (First discuss it in small groups).

That's right! As an entrepreneur you can:

- work for yourself;
- work when you want to;
- use your talents and skills to your own advantage;
- gain experience in the field in which you have an interest;
- earn good money if you manage your business properly;

You must be willing to work hard and manage your business properly to be able to make a success of what you do.

## 2 An example of an entrepreneur

### Activity 1

To learn how to make a profit [LO 4.2, 4.3]

Sonja is a Grade 4 learner who likes to make her own fancy paper. She sells it at the school's market day and makes specific kinds of paper to order. She has borrowed money from her mother to buy the equipment she needs to start.

Let's try to help her find out whether her "business" will be worthwhile. Will she earn enough money from it?

To make 100 sheets of paper, she will need:

6 rolls of toilet paper @ ± R1, 45 per roll

2 filter cloths @ ± R0, 60 per cloth

water

$\frac{1}{2}$  cup bleach (Jik) @ ± R0, 50

She parcels the paper in packets of 10 sheets with envelopes that are also made from her own paper. She ties the packets with a ribbon (50c) and prices them at R5 each.

1. What does it cost her to make 100 sheets of paper with envelopes to match and to parcel them in packets of 10?
  
1. How much will she receive if she sells all the packets?
  
1. Will she have any money left over after she has paid her mother for what she borrowed from her at the beginning? How much?

## 3 It seems as if Sonja's business could be quite profitable if she plans well. Wouldn't you also like to become an entrepreneur?

### 4 Competition

Business people aim to provide products and services that are needed by consumers. Because of this, we have a baker who provides bread, a chain store that sells food, a clothing shop where we can get the clothing we need, etc. But what will happen when there is more than one baker, chain store or clothing shop? From whom will you as a consumer be buying?

Different businesses **compete** against one another by making their products or prices as attractive as possible to attract the consumer. Each business has to try to convince the consumer that its product is better, or cheaper, or more fashionable, even, than that offered by the other business.

Let's take bread, for example. Both of the businesses that feature below sell bread. How will you decide whose bread to buy?

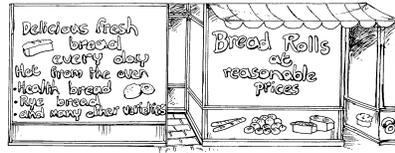


Figure 4

List some reasons to motivate your choice:

## 5 Advertisements

It is important for the producer to introduce his product to you as the consumer. He can do it by means of advertisements in magazines, newspapers, on the radio, on television, posters, advertising boards and even by means of pamphlets dropped in your letterbox. Sometimes the advertisements are so alluring that we buy articles that we do not really need.

### Activity 2

To investigate the features of good advertisements [LO 4.1]

- (a) Discuss the features of good advertisements in your groups. What is it that captures your attention or fails to do so?

### Activity 3

To differentiate between more and less successful advertisements [LO 3.2]

- (a) Collect a variety of advertisements from different sources and differentiate between those you regard as more successful or less successful. Provide reasons for your decisions.

More successful	Less successful
Reasons	Reasons

Table 1

Design an advertisement for any new product on the market. You must try to ensure that the consumer will definitely consider the product.

Assessment

**LEARNING OUTCOME 3: MANAGERIAL, CONSUMER AND FINANCIAL KNOWLEDGE AND SKILLS**

The learner will be able to demonstrate knowledge and the ability to apply responsibly a range of managerial, consumer and financial skills.

Assessment Standard

We know this when the learner:

3.2 distinguishes three different types of local businesses.

**LEARNING OUTCOME 4: MANAGERIAL, CONSUMER AND FINANCIAL KNOWLEDGE AND SKILLS**

**ENTREPRENEURIAL KNOWLEDGE AND SKILLS**

The learner will be able to demonstrate entrepreneurial knowledge, skills and attitudes.

Assessment Standard

We know this when the learner:

- identifies different characteristics (abilities and talents) of entrepreneurs;
- explains how entrepreneurs combine labour (work), capital (money, machinery, tools), and natural resources (raw materials) to gain profit;
- differentiates between the entrepreneurial actions of buying, selling and producing.

Memorandum

**Page 1:** Stimulate a class discussion on What I want to become one day.

**Page 2:** Working for oneself has many advantages (and also disadvantages). List the advantages after a class discussion.

**Page 3:** Study the example of Sonja as an entrepreneur and decide whether she is going to make enough profit with her fancy paper. Remember that for every sheet of writing paper she will also need a sheet for an envelope. From 100 sheets she can make only five packets with 10 sheets and 10 envelopes.

**Page 4:** Learners are made aware once more that different businesses compete against one another to convince clients to buy from them. Through a process of comparison, decide why they have chosen to buy from a specific baker.

**Page 5 and 6:** Let learners scrutinise magazines and collect advertisements that capture their attention. Then give feedback to the class and list features of advertisements that are visually and creatively stimulating.

Cut out examples of such appealing advertisements and give reasons for the decisions.