

# Create Your Own Candy Business

THIRD GRADE ECONOMICS



Name \_\_\_\_\_

Your job is to create your own candy company. During this project, you will design a product, create a budget to pay for the resources needed to create your product, and respond to various economic situations that may arise during production.

Company Name \_\_\_\_\_

**SPECIALIZATION:** What kind of candy does your company specialize in making?

\_\_\_\_\_  
**GOODS:** Name your best-selling candy product your company creates and describe its contents.

\_\_\_\_\_  
**SERVICES:** Identify the different services required for the production of your candy.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**MARKETPLACE:** What stores will be selling your product?

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**CONSUMERS:** Who are your target consumers? In other words, who are the people that you are wanting to buy your product? *Kids? Adults? All ages?*

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## **BUDGET:**

A business must always set a budget to make sure it can afford everything it needs to make production happen. A budget is a plan on how a business is going to spend a set amount of money. You are given a budget of \$1000 to start the production of your product. On the next few pages, choose the resources you will need to make your product.

Remember, you only have \$1000 to spend. Choose your resources wisely and don't go over your limit!

Use the Budget Balancing Sheet to help you keep track of your expenses. If you go over your limit, you must adjust your list to fit your budget.



**NATURAL RESOURCES:** What natural resources will you be using to create your product?

*Circle all that apply.*

**Chocolate**

*Milk- \$10*

*White- \$15*

*Dark- \$20*

**Caramel - \$15**

**Sugar - \$20**

*For cookies, candy shells*

**Eggs - \$10**

*For cookies*

**Peanuts**

*Plain- \$10*

*Peanut butter- \$15*

**Flour - \$15**

*For cookies*

**Graham Crackers**

*Whole- \$10*

*Crushed- \$5*

**Strawberries - \$15**

*Flavored filling*

**Cherries - \$5**

*Flavored Filling*

**Coconut**

*Shredded- \$15*

*Filling- \$10*

**\*\*NOTE:** *If you are wanting to include a hard candy shell, you must buy sugar to create the shell.*

*If you are wanting to include cookies, you must buy sugar, eggs, and flour.*

## CAPITAL RESOURCES:

Choose the tools and machines you will use to help make your product.

Factory Machines: *(Check One)*



\_\_\_\_\_ Candy Maker A  
Makes 100 candy bars  
a day - \$300



\_\_\_\_\_ Candy Maker B  
Makes 150 candy bars  
a day - \$400



## CAPITAL RESOURCES:

Choose the tools and machines you will use to help make your product.

Delivery Trucks: *(Choose One)*



           **Truck A**  
Delivers 300  
pieces of candy -  
**\$175**

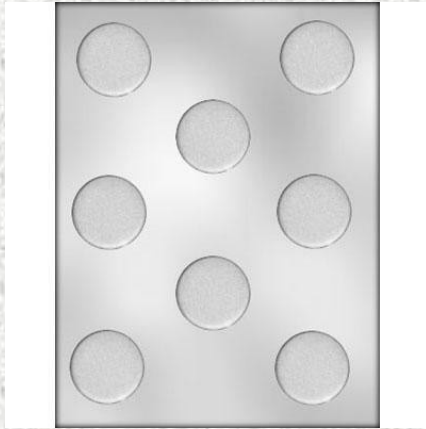


           **Truck B**  
Delivers 400 pieces of  
candy - **\$200**

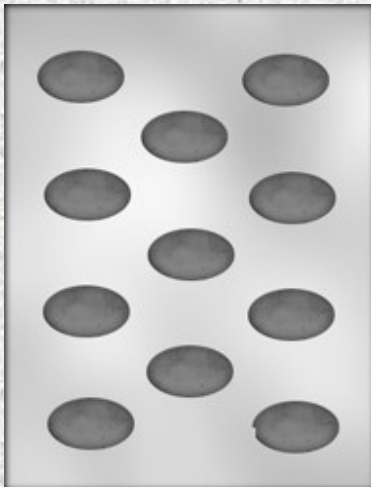
## CAPITAL RESOURCES:

Choose the tools and machines you will use to help make your product.

Candy Mold: *(THIS IS OPTIONAL)*



\_\_\_\_\_ Circle Mold - \$10



\_\_\_\_\_ Oval Mold - \$15



\_\_\_\_\_ Star Mold - \$20

## HUMAN RESOURCES:

Choose how many people you will hire to work in your factory.

Salary per employee: \$40

# of employees hired: \_\_\_\_\_

Cost of employees:

\$40 x \_\_\_\_\_ = \_\_\_\_\_

*(\$40 multiplied by # of employees)*

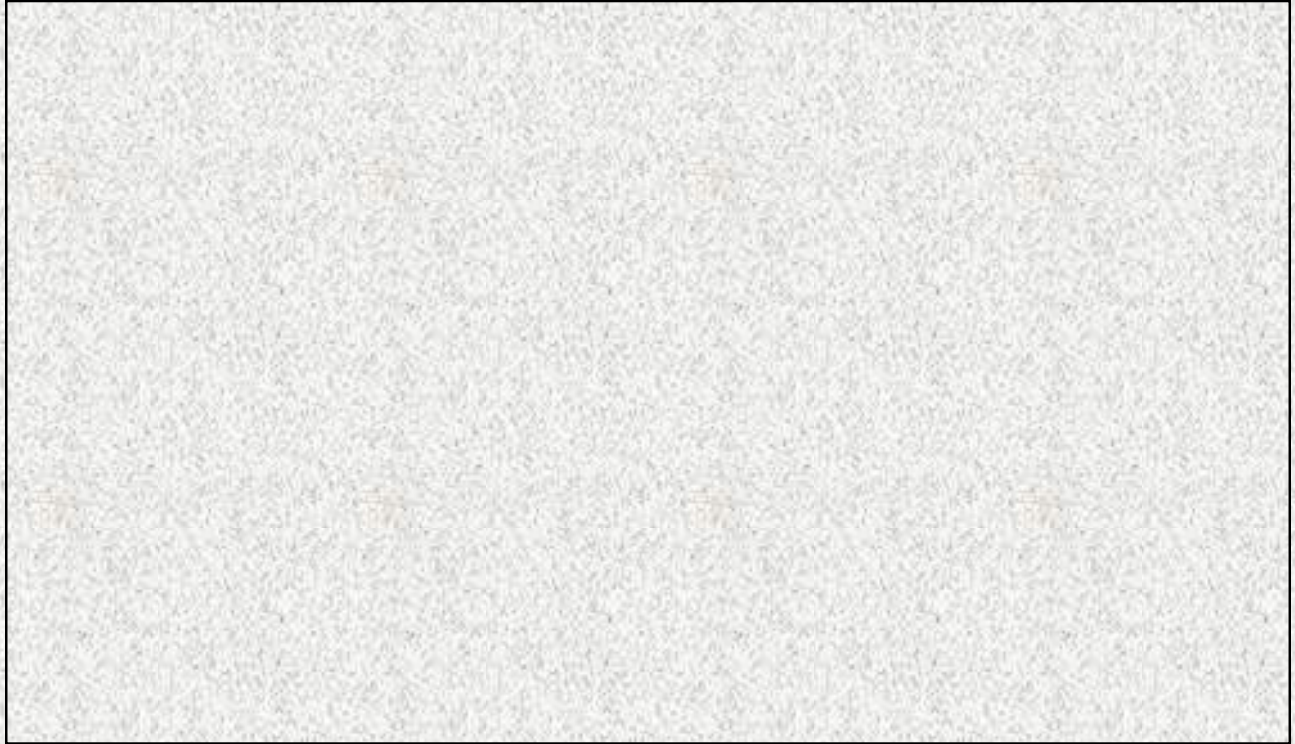


**Calculate the total amount of expenses on your  
Budget Balancing Sheet.**

*Make adjustments as you need in order to fit  
your budget.*



**PRODUCTIVE RESOURCE:** The productive resource is your final product that will be sold to stores.  
Draw a picture of your final product below.



Name of Product: \_\_\_\_\_

Write a brief description describing your product, complete with all of its ingredients.

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**PRICING:** You must come up with a price for your product. Keep in mind that in order to be making money, your product must be priced higher than what it costs you to make it. However, you need to make sure it is not too expensive so people will buy your product.

Cost to make each piece of candy: 40¢

Price you will charge for each piece of candy: \_\_\_\_\_

**PROFIT:** The money you make from each piece of candy is called your profit. To calculate your profit on one piece of candy, subtract the cost to make it from the price you are selling it for.

$$\frac{\text{_____}}{\textit{Price}} - 40\text{¢} = \frac{\text{_____}}{\textit{Profit}}$$

What happens to your profit if you increase your price?

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What happens if you decrease your price?

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## SUPPLY AND DEMAND

When a product is wanted by a lot of people, the **demand** for the product is high. When the demand is high, you must make more product to meet the demand. This is called your **supply**.

**Scarcity** is when a product is so popular that it is difficult to find in stores.

When a product is not wanted by a lot of people and stores have difficulty selling it, the **demand** for the product is low. When the demand for the product is low, the **supply** is also low. If you create too much product that cannot be sold, you lose money, so you must slow down production.

Circle the product below that you would say is in high demand right now.

Draw a “x” through the product that is in low demand right now.

iPhone 6

Christmas trees

Pencils



## Good News!

Your product is a hit! Each store had a rush of customers come in to buy your product—so much that they sold out!

Right now, there is a **scarcity** in the stores. There is not enough product to meet the wants of your customers.

Would you say the **demand** for your product is  
high or low?

*(Circle one)*

In order to meet demand, are you going to increase or decrease your **supply**?

Write your answer and explain below.

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# Budget Balancing Sheet

Use this sheet to keep track of your company's expenses and balance your budget.

<b>NATURAL RESOURCES</b> (list all used)	<b>COST</b>
	\$
	\$
	\$
	\$
	\$
<b>TOTAL</b>	\$
<b>CAPITAL RESOURCES</b>	<b>COST</b>
CANDY MAKER ___ A ___ B	\$
TRUCK ___ A ___ B	\$
CANDY MOLD (OPTIONAL) ___ CIRCLE ___ OVAL ___ STAR	\$
<b>TOTAL</b>	\$
<b>HUMAN RESOURCES</b>	<b>COST</b>
# ___ OF EMPLOYEES x \$40 SALARY	\$
<b>TOTAL AMOUNT OF EXPENSES</b> (add all resources together)	
NATURAL RESOURCES + CAPITAL RESOURCES + HUMAN RESOURCES	\$

How much money is left over? \$1000- \_\_\_\_\_ = \$ \_\_\_\_\_

Remember, a budget is a set amount of money that is available for you to use. If you went over your budget, you must go back and adjust your resources.