

## **Best Practices - Entrepreneurship / Unit: Types of Ownership – Game**

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**Learning Targets:** Students will connect their experiences in the cooperative activity to the advantages and disadvantages of types of ownerships. Students will visualize that the success of a business can be tied to the legal form of ownership selected. Students will be able to identify forms of ownership from organizational features.

**Materials:** Word puzzles (handouts), corporation rules (handout), poker chips, and basket with colored sticks to create random student groups

### **Procedure:**

1. Pre-determine the number of students in class and create a number of companies.  
Sole proprietor – one student  
General Partnership – two students  
Limited Partnership – at least three students (one student must be silent during game – represents the silent partner)  
LLC – at least four students  
S- Corp – Needs to be an odd number, preferably seven students  
C-Corp – Needs to be an odd number, preferably larger than S-corp, such as nine students

Note: You could have two sole proprietors or increase the limited partnership size. Students select a colored stick as they enter the classroom which will assign them to specific groups.

2. Inform the students that your group is a company. They are different sizes and you will be competing against each other. The companies are in the business of answering riddles/word puzzles. The company that makes the most money answering riddles will win.
3. Teacher distributes lists of riddles/word puzzles (about 20) to each company. Each riddle is assigned a dollar value. As companies correctly answer riddles, the teacher awards poker chips based on the riddles' values. All companies begin working on the riddles at the same time, EXCEPT for the S-Corp and C-Corp companies. They are given regulations that require them to appoint a president, two vice presidents and students who only report to specific vice presidents. The corporations are not allowed to start answering riddles until they have created their business structure. The teacher will only speak to the president of the corporations, no one else in the corporations.
4. Allow the companies approximately 25 minutes to work on solving the puzzles. Each company is acquiring poker chips based on correct answers. When time is finished, have the companies count the value of the chips.

**Conclusion:** Inform the students that each company had a different form of ownership. When called upon, each company should share their poker chip value and tell the teacher which form of ownership they believe they represent and why? Traditionally the larger corporation usually wins even though the company is more difficult to form and starts at least 5 to ten minutes later (due to the regulations). Ask the students why the C-Corp won? Obviously, there is more creative power. Discuss advantages and disadvantages of each form of ownership with the students. The teacher can also try to have the students discuss the emotional pressure of handling the activity alone (sole proprietor), with just two students (general partnership), or being the silent student (partner) in a limited partnership, etc. Was there less pressure with more participation in the LLC, S-Corp and C-Corp? The Teacher can also work the tax benefits and liability issues into the lesson as a way to reinforce those earlier topics with types of ownership.

# **REGULATIONS FOR CORPORATIONS**

## **ORGANIZATION**

- 1. The corporation may not answer riddles until they have created their structure.**
- 2. Elect one person as president**
- 3. Name a vice president of Cake Riddles**
- 4. Name a vice president of Riddles**
- 5. Assign two other students to report to the vice president of Cake Riddles**
- 6. Assign two other students to report to the vice president of Riddles**

## **OPERATING PROCEDURES**

- 7. The Cake Riddles organization must work only on the Cake Riddles.**
- 8. The Riddles organization must work only on the Riddles list.**
- 9. The vice presidents must communicate the answers to the president.**
- 10. The president may be the only person to communicate the answers to the teacher.**

## **Cake Riddles**

1. What would a cake for Gabriel be called?     Angel Food Cake
2. What would a cake baked by a geologist be called?   Layer Cake
3. What would a cake baked by a sculptor be called?   Marble Cake
4. What would a cake for a weight watcher be called?   Pound Cake
5. What would a cake for the baseball batter who sacrificed himself be called?   Bundt Cake
6. What would a cake baked for someone who lives off another person's generosity be called?   Sponge Cake

# Riddles List

1.

Answer -  
3 degrees  
below zero

0

Ph.D.  
M.A.  
B.S.

8.

He's beside  
himself

HE'S HIMSELF

2.

See through  
Blouse

C O L O R E D  
C O L O R E D

6.

T  
O  
W  
N

Downtown

9.

Crazy over you

CRAZY  
YOU

3.

LE  
VEL

Split level

7.

R  
E  
T  
T  
A  
B

Batter up

10.

You are under  
oath

OATH  
UR

4.

YOU JUST Me

Just between  
you and me