

Instructional Scenario

Business Net Worth Statement



Course/Duty Area: Business Management/Conducting Financial Activities

Scenario:

Stephanie needs to keep a business net worth statement of all their assets and liabilities for income taxes and property insurance. Stephanie owns a vintage clothing store and keeps track of all their assets and liabilities, including items they sell and the debt they owe. Stephanie has a car and some other possessions that they file under their business. They also have some credit card debt and other loans.

Big Question:

What is Stephanie's total net worth, and is Stephanie solvent or insolvent?

Focused Questions:

- What is *net worth*?
- What is the formula for calculating your business net worth?
- What are *assets*?
- What are liabilities?
- What is the difference between *solvent* and *insolvent*? (Explain using Stephanie's business net worth statement.)
- What can Stephanie do to continue to improve their business net worth?
- What does Stephanie need to do to get out of the red?

Project-Based Assessment:

Students will create a spreadsheet with sample items reflecting Stephanie's net worth. These items may include purchase prices, current values, and amount owed on debt.

Instructional scenario submitted by Stephanie Gwaltney, Menchville High School, Newport News Public Schools