

Monica, Click on the Yellow Notes!
Great Stuff!

Understanding Net Worth

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Objective: Students will be able to develop a net worth statement and identify all of the components. (40 minutes class period)

Background:

- Unit: Understanding Net Worth, Cash Flow, Income Statements and Computerized Record Keeping

LK Precepts:

Standard:

- UT - 010311-06 – Students will understand basic Agribusiness principles and skills.

Resources:

- [USU AgriScience Lesson Plan Library CD-ROM](#)

Materials:

- Student Copies of Resource Guide
- Writing utensil & notebook
- Net Worth Worksheet
- Various items of value (toy cars, paper money, toy animals etc.)

Key Terms:

- Self-Worth
- Net Worth Statement
- Assets
- Liabilities
- Current Assets
- Non-Current Assets
- Current Liabilities
- Non-Current Liabilities

Interest Approach:

As students enter the room hand each one an item of value and ask them to keep it to themselves and protect it from others. After the final bell,

You have been given an item that has a value and when I say your name I want you to declare the worth of your item.

On the board write “Your Items Value” and write down the value that each student declares their item to be worth.

Transition/Introduction:

Turn to your neighbor on your left and show them your item and compare your worth against theirs, the person with the highest value is to collect all the items and return them to me.

LK Precept: *Great work, today will be will talking about a variety of things with value.*

Next to the list on the board write the title of “Your Value”.

“When I say VALUE, in your notebook record as quickly as possible 10 things that you value. Remember things that you value may be material objects, people, personal characteristics etc. You will have 3 minutes to complete this activity. What questions are there? Great “VALUE”!

When students are done, ask for volunteers until you have 10 of the values listed on the board.

“As you can see there are many things that have value, your personal items or characteristics, the objects I gave you as entered the room as well as many other things. Does it matter if we recognize the things of value in our life?”

As we continue our Agri-Business unit we will be able to see the relationship of things that we value and things of value in agriculture. We will cover net worth , cash flow, income statements and record keeping.”

Content/Presentation:

Objective 1: Students will be able to develop a net worth statement and identify all of the components.

Activity 1: Hand out page one “Net Worth” resource guide. Using power point presentation, or an overhead go through key terms for understanding net worth.

*Use e-moments: Choral Response & Voice Modulator to help emphasize terms and definitions.

Components of a Net Worth Statement:
(Cap words identify blanks on students resource guide).

Net Worth Statement:	Shows FINANCIAL HEALTH of a business at a given point in time.
Assets:	Are items OWNED by a business that have VALUE.
Liabilities:	Are DEBT obligations.
Current Assets:	Are items that will be USED UP or turned to CASH within ONE YEAR.
Non-current Assets:	Are those items with USEFUL LIVES of GREATER than one year.
Current Liabilities:	Are those DEBTS due within ONE YEAR.
Non-current Liabilities:	Are those DEBTS due AFTER one year.
Total Assets:	CURRENT assets + NON-CURRENT assets.
Total Liabilities:	CURRENT liabilities + NON-CURRENT liabilities.
Net Worth Calculation:	SUBTRACT total LIABILITIES FROM total ASSETS.



LK Integration: *Now let's connect your list of values to the components of a net worth statement.*

E-Moment: Crayon Moment

When I say “color” gather 10 different colored writing tools from the supplies at your table. Match the items on your personal value list with the list of the components of the net worth statement by underlining each item that matches with the same color. (Example: My family is the same as a non-current asset so I would underline them both with the same color). You will have 5 minutes to complete this activity. What questions are there? Great, COLOR!

GREAT WORK!

Activity 2:

Hand out net worth statement worksheet than give directions.

When I say CASH, complete the net worth statement. Be sure to review all the information on the worksheet, you may also use your resource guide for assistance. When you are finished please bring me your worksheet. You will have 15 minutes to complete this task. What questions are there? Great! CASH!

E-Moment/Assessment:

Have a variety of items that would represent an current or non-current asset or liability. (Note to the bank, feed, animal, tractor, equipment etc)

“When I say your name please “Go and Get” an item off the back table and bring it to me to tell me the value of your item and where it should be on your net worth statement. This is your “ticket out the door” today. What questions are there? Great, (call the name of the students)”

Application:

1. Students will be able to develop their own net worth statement in relation to their SAE projects
2. Understanding net worth can be applied in many different ways in students future whether they become a business owner or apply it to their personal finances.

