

Teacher Overview

The Lego Cost of Goods Sold Activity provides students the opportunity to calculate the cost of goods sold for a prototype they designed. The activity also allows students to understand how those costs effect price and profit potential. The added bonus, students have a chance to show their creativity while doing math. Now that doesn't happen very often!

As a YE facilitator, this activity will offer you a chance to see how comfortable your students are with math computations. This knowledge can also help you decide how to proceed through the business finance content of the YE program.

Time



When to Use This Lesson

You can use the Lego Cost of Goods Sold Activity at any time during your YE program. The activity is a great tool to use at the beginning to determine where your students are when it comes to math skills. It is also a great first step for leading into the business finance content students will need to be successful in YE. However, you can also use this activity as a refresher during the Financials portion of a business model. Students need basic math skills to be successful with this activity. The activity requires students to do addition, subtraction, and multiplication.

FOUNDATIONAL VALUES

- > Sound Judgment
- > Win-win Focus
- > Passion

LEARNING OBJECTIVES

Business Finance LO 1e

KEY TERMS

- > Prototype
- > Cost
- > Price
- > Cost of Goods

MATERIALS

- > Legos or similar type of building blocks
- > Lego Cost of Goods Sold Worksheet

BEFORE CLASS PREPARATION

- > Read through the activity guide to make yourself familiar with the activity introduction, directions, and debrief.
- > Purchase Lego/building blocks - The amount of building blocks you need will be based on the size of your class as well as the size of the teams you allow your students to work in.
- > Make changes to the Lego Cost of Goods Sold Worksheet based on the Legos/building blocks you have purchased for your classroom.
- > Make copies of the Lego Cost of Goods Sold Worksheet - one per student
- > Decide if you want to make this activity a class competition and if so, how you want to determine a winner.
 - **Protip:** This would be a good time to use YE bonds.
- > Determine if you want to preselect the teams (3 or 4 students) or allow your students to choose their own teams.

ACTIVITY INTRODUCTION

- > An independent toy company has hired your product design team to create a toy prototype using building blocks. You must keep track of the costs and suggest a price that generates a profit.

ACTIVITY DIRECTIONS

- > You have 20 minutes to create a new product and complete the worksheet. Decide as a team what toy you want to make
 - Each team will choose one delegate to collect the Lego pieces from the supply table.
 - You will build the toy as a team.
 - Using the cost sheet, determine the cost of goods sold using the unit costs listed.
 - Give the toy a name.
 - Describe the toy.
 - Determine the selling price.
 - Given the selling price, how much profit will the toy company make on each toy sold?
- > At the end of the 20 minutes, each team will pitch their new product to the owner of the toy company. Each team will have 60 seconds to pitch.
- > Ask for any questions. Allow students time to move into teams.
- > Set a timer for 20 minutes. Begin designing prototypes!

*As an alternative you may choose to break the 20-minute period up into planning/ideation, collection of supplies, toy prototype building, etc.

ACTIVITY DEBRIEF

- > How did your team decide what to create? (**Passion**)
- > Did your group use **sound judgment** when it came to the supplies you took from the supply table?
- > How did your team decide what supplies to use to create your prototype? Did you use **sound judgment** when you made this decision?
- > Did you pivot while building your prototype? If so, in what way? Why?
- > Was the total cost of goods sold higher than you expected it to be when you were done? Did you change anything as a response? Why or why not?
- > Is your toy idea a **win-win** opportunity for both you and your customer?
- > Who is your target market?
- > Why did you choose the name you chose?
- > Where would you sell your toy?

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