

What Is a Company?

Suggested Grade

Elementary School - all levels

Suggested Time

50 Minutes

Teacher Background

A company is a business or association usually formed to manufacture or supply products or services for profit. A company can be a proprietorship, partnership, or corporation. A corporation is set up in accordance with government regulations and limits the liability of its owners. In a proprietorship or partnership, the owners share the profits or losses of the business in which they have all invested, and are liable for all debts.

A corporation is a company legally separate from the stockholders who own it and the managers who run it. Corporations can be privately or publicly held. A public corporation offers these advantages: (1) Limited liability, the stockholders' responsibility for the company's debts is limited to their investment in its stock; (2) stability, a corporation continues to exist even when its stockholders or managers change; (3) easily transferable ownership, stockholders can easily sell their ownership shares in the stock market. Private corporations offer advantages 1 & 2, and also issue stock, which can only be sold directly to individuals or other corporations. Private corporations are not subject to the stringent disclosure requirements imposed upon public corporations.

Vocabulary

Brand: A trademark or distinctive name identifying a product or a company setting it aside from rival products or company.

Company: A business or an association usually formed to manufacture or supply products or services for profit.

Corporation: A company legally separate from stockholders who own it and the managers who run it.

Performance Objectives

Students will be able to:

- Identify and describe a company.
- Identify and describe a brand.
- Contrast and compare distinguishing characteristics of companies and brands.



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Materials

- Hershey Kisses
- Pictures/products from PepsiCo. (See ideas for products in procedure)
- Activity Sheet 1: Companies in my Closet
- Activity Sheet 2: Companies, Brands & Products
- Fact Sheet: The Chocolate Company
- Activity Sheet 3: The Chocolate Company Guiding Questions
- Other resources - <http://www.hersheys.com/discover/milton/milton.asp>

Springboard Activity

Distribute Hershey's kisses to your students. Have students examine the packaging.

Ask your students:

- What is the name of this candy?
- How do you know?
- How many of you recognized it without reading the tag?
- Who makes it?
- How does this all happen?
- Who makes it happen?

Explain to your students that a company is a person or group that makes something for other people to buy. Companies try to earn a profit or make money from the sale of their products or services. Very often a company makes several products.

Procedure

1. Use actual products or pictures of: a Frito Lay product, A Quaker Oats product, a Tropicana product, a can of Pepsi and a bottle of Gatorade. (Download from <http://www.pepsico.com>)
2. Display the products or pictures of the products and ask your students: What do these things have in common?
3. Explain that the items are different brands all made by the same company – PepsiCo.
4. Investors often invest in companies they know own popular products and brands.
5. Ask your students to quickly jot down the names of some of their favorite products and brands. Create a cumulative list of the brands students have identified. Keep tally of how many students cite the same brand.
6. Group your students into their SMG teams and ask them to select five companies from the cumulative brands list and choose five brands of their own. They should write their choices down.
7. Remind teams the difference between a company and a brand. A company is the group or person that makes the product or provides the service that we buy. A brand is that product or service's name.



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Master and Grand Master Levels

Working individually or in teams, students will organize their team's list of products and services into brands and companies on *Activity Sheet 1: Companies in My Closet Activity*. Using Yahoo! Finance (<http://finance.yahoo.com>) or a similar company information site teams will enter the name of the corporation that owns the products and services they chose. Review answers with the class.

Complete a shared reading of *Fact Sheet: The Chocolate Company* and have the Master and Grand Master Level students answer the questions on *Activity Sheet 3*.

Review the answers and ask your students to respond and discuss the following questions:

Based on what you learned today is Hershey a "successful" company? Why?
If given the chance would you what to be part owner of The Hershey Company?

Application

Individually or in their teams, students practice distinguishing between companies and brands by completing *Activity Sheet 2: Companies, Brands & Products*.

Assessment

Ask students to identify another candy company (e.g. Mars, Inc. or Tootsie Roll Industries). What are some of the brands made by these companies? Do they like these brands better than the Hershey brands?

Instruct SMG teams to poll each other to determine the class' Top 10 favorite brands of candy. Create a list of the Top 10. Identify which company makes the selected brands? (Use zoominfo.com if necessary). Identify the company that makes most of the brands on the class' Top 10.

Enrichment Activities

Have your students research famous inventors who formed companies or partnerships. Assign students to pick a famous inventor from

http://inventors.about.com/library/bl_by_state_inventors.htm.

This site is organized by states; it will be possible for most students to select an inventor from their state or the state where family members or friends live. The students will write a short paper about their favorite inventor, how he/she made the product and whether we still use the product today.







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Answer Key

Activity Sheet 2

COMPANY NAME	PARENT OR SUBSIDIARY	BRANDS	PRODUCTS
		Gap Banana Republic Old Navy	Casual Men Clothing Casual Women Clothing Children Clothing
	General Motors	ION Quad Coupe ION Sedan Vue compact SUV Relay Minivan	Cars
		Frito-Lay and Pepsi Tropicana and Dole Gatorade Lipton Aquafina	Chips, snacks and soft drinks Juices Energy drinks Lipton tea products Water
		KFC Taco Bell Long John Silver's A&W	Fast foods: Chicken Tacos Seafood chain A&W - Root Beer, Burgers

Activity Sheet 3

1. Milton believed that his milk chocolate candy would sell because caramels were too rich. With milk chocolate, you could have a low-concentrated sweet that everyone could enjoy.
2. Milton received money from selling his Lancaster Caramel Company. He sold the Lancaster Company for \$1 million to build a chocolate plant in Pennsylvania.
3. Shareholders provided capital for larger growth in the company. He could sell stock and raise the capital needed to expand the company.
4. Even if Milton passes away, the corporation would still live through the shareholders. Shareholders have limited liability.



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