



**Entrepreneurship**  
LAP 17 (Chapter 22) –Risk Management

Name \_\_\_\_\_

Period \_\_\_\_\_

Date Started \_\_\_\_\_

Date Completed \_\_\_\_\_

**DoDEA Standards**

- PT4c** Use information accurately and creatively.
- PT1p** Understand plans and procedures for maintaining the security of information systems.
- PT2a** Engage in higher order thinking and will apply problem-solving strategies in purposeful ways, both in situations where the problem and desirable solutions are clearly evident and in situations requiring a creative approach to achieve an outcome.

**Objectives**

- ◆ Describe the risks facing a new business.
- ◆ Define the four approaches to managing risk.
- ◆ Identify steps new business owners should take to prepare for handling risks.

**Resources** Entrepreneurship and Small Business Management Workbook  
The Best of Young Entrepreneurs – Activity 22

**Time Frame** 5 hours

**Introduction**

**Risk is a fact of life for entrepreneurs. Approximately 50% of small businesses fail in the first year and many do not achieve a profit till their third year. Prior to beginning a new business, one needs to evaluate what you can make working for someone else or being your own manager. As to risk, one has to determine the amount of insurance that you can afford as part of your operating expenses.**

**Assignments**

**Where appropriate and possible, written answers must be in complete sentences and keyed.**

**Turn in completed activities as directed by instructor.**

_____	<b>Read</b>	pp. 377-383	Section 22.1, Text
_____	<b>Complete</b>	p. 299	Activity 1, Workbook
_____	<b>Read</b>	pp. 384-390	Section 22.2, Text
_____	<b>Complete</b>	pp. 300-301	Activity 2, Workbook
_____	<b>Complete</b>	pp. 47-48	The Best of Young Entrepreneurs
_____	<b>Complete</b>	pp. 302-304	Self-Assessment, Workbook
_____	<b>Complete</b>	p. 391	Thinking Critically (1-5), Text
_____	<b>Complete</b>	pp. 305-306	PowerPoint Application, Workbook
_____	<b>Complete</b>	N/A	Chapter 22 Test

**Self Assessment - "I/ I can . . . "**

- \_\_\_\_\_ describe the risks facing a new business.
- \_\_\_\_\_ define the four approaches to managing risk.
- \_\_\_\_\_ identify steps new business owners should take to prepare for handling risks.