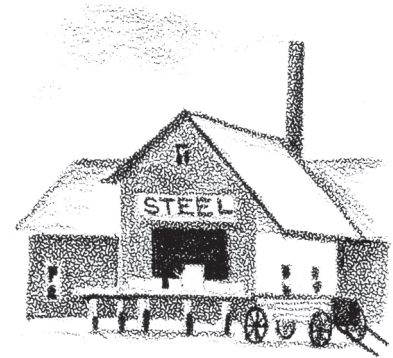


# THE GROWTH OF BUSINESS

## Game Rules

- (1) Pretend that you are a businessperson who has decided to invest in the factories, farms, and mines which produce America's manufactured goods, agricultural products, and raw materials. The bank has loaned you \$300 million to purchase businesses which turn out the products listed on page two.
- (2) There are 10 investment rounds. During each round, you have the opportunity to make investments in one state only — whichever state you choose on the map. You can make 0, 1, 2, or 3 investments per round. Keep a record of what you buy on the form at the top of page three. In round 1, for example, you might go to California, where there are eleven products to choose from. Let's assume that you decide to buy the one steel mill and two chemical plants there. You would list your investments on the RECORD OF INVESTMENTS form, then subtract the total amount of these investments (\$70 million) from the \$300 million you started with under "1st Balance." You now have \$230 million under "2nd Balance." At this point, the number of one of the historical events on page four will be announced. Read the description of the event to see whether it brings you profits or losses. Perhaps it will not affect you at all. Note your profits or losses, if any, in the "Event" column on the investment form (+10, -12, etc.). If you neither gain or lose money, put a zero in the space. Now you can figure your ending "3rd Balance," which then becomes your beginning "1st Balance" in the next round. Example:



(numbers represent millions of dollars)

Round	1st Balance	State	Investments		2nd Balance	Event (+ or -)	3rd Balance
			Product	Cost			
1	300	California	S	30	230	+10	240
			CH	20			
			CH	20			
2	240						

- (3) The object of this game is to build product "chains." You will have a chain after making two or more investments in the same product. For example, 2 chemical plants, 3 paper mills, and 6 coal mines are all chains. The longer your chains, the greater your profits.
- (4) Here are some investment hints:
  - (a) The more money you invest, the greater your chances are of making large profits.
  - (b) Invest carefully. Do not buy everything that is available. Once you buy something, you cannot sell it.
  - (c) The VALUE OF INVESTMENTS table on the next page shows the amount of money you will get back at the end of the game for the investments you have made. For example, if you bought 6 coal mines during the game, you would get back \$42 million. This would mean a sizable profit on your original investment. Your original investment in 6 coal mines at \$2 million each was just \$12 million.
- (5) The VALUE OF INVESTMENTS table will be used at the end of the game to compute your profits. Figure your profits (or losses) on the TALLY SHEET. It is now time to start the game. Choose any state on the map, and make your Round 1 investments.

## VALUE OF INVESTMENTS

(in millions of dollars)

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
Aircraft . . . . .	16	48	96	160	240	336	448	576	X	X
Cattle . . . . .	2	6	12	20	30	42	56	72	90	110
Chemicals . . . . .	20	60	120	200	300	420	560	720	900	1,100
Coal . . . . .	2	6	12	20	30	42	56	72	90	110
Copper . . . . .	3	9	18	30	45	X	X	X	X	X
Cotton . . . . .	1	3	6	10	15	21	28	36	45	55
Fruit . . . . .	1	3	6	10	15	21	28	36	45	55
Iron Ore . . . . .	3	9	18	30	45	X	X	X	X	X
Lead . . . . .	3	9	18	30	45	X	X	X	X	X
Motor Vehicles . . .	10	30	60	100	150	210	280	360	450	550
Paper . . . . .	4	12	24	40	60	84	112	X	X	X
Petroleum . . . . .	4	12	24	40	60	84	112	144	180	220
Steel . . . . .	30	90	180	300	480	630	X	X	X	X
Tobacco . . . . .	3	9	18	30	45	X	X	X	X	X
Wheat . . . . .	1	3	6	10	15	21	28	36	45	55

### MANUFACTURING PRODUCTS

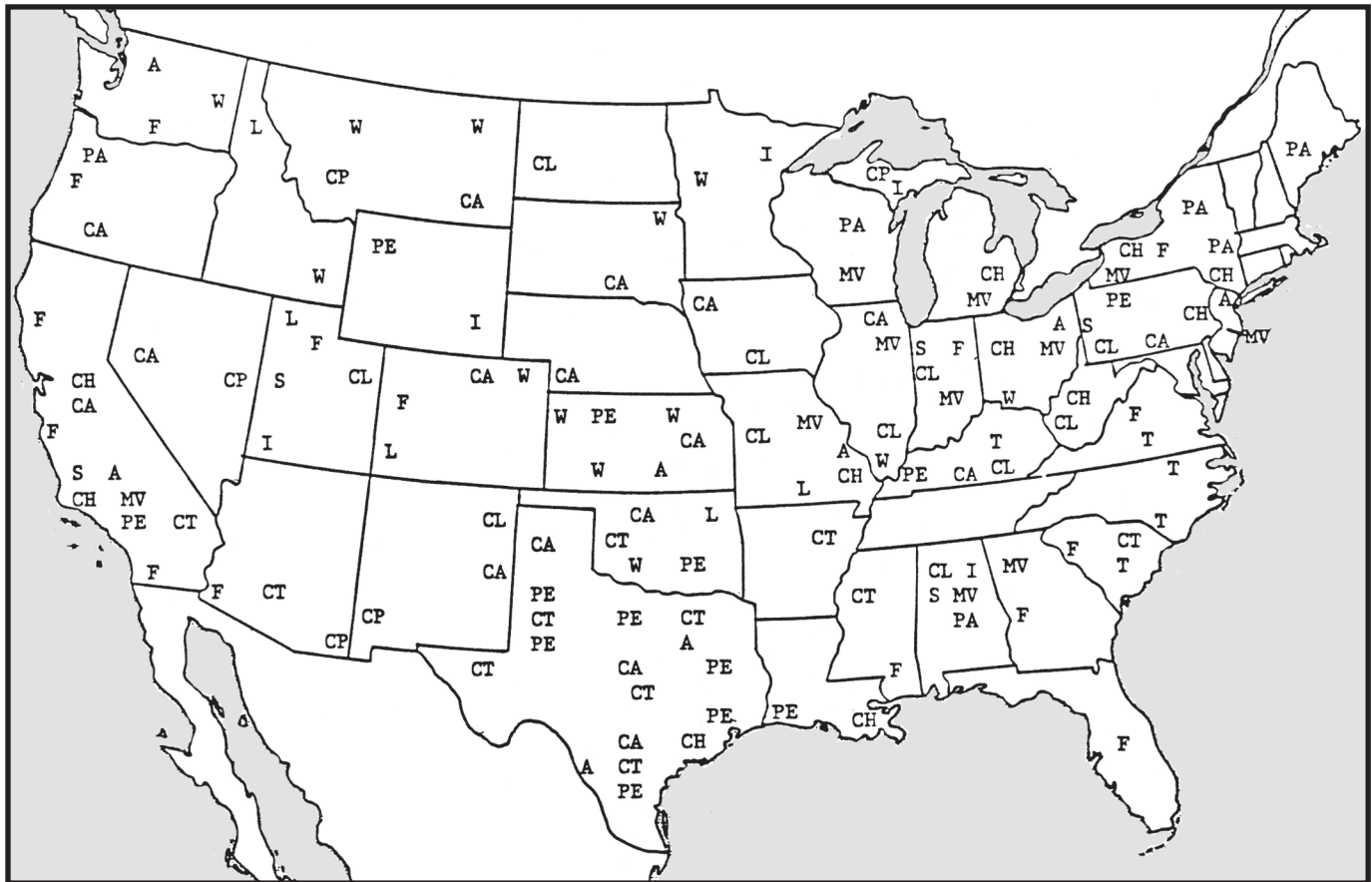
PRODUCT	SYMBOL	COST PER
Steel	S	30
Aircraft	A	16
Paper	PA	4
Chemicals	CH	20
Motor Vehicles	MV	10

### AGRICULTURAL PRODUCTS

PRODUCT	SYMBOL	COST PER
Wheat	W	1
Cotton	CT	1
Tobacco	T	3
Cattle	CA	2
Fruit	F	1

### RAW MATERIALS

PRODUCT	SYMBOL	COST PER
Petroleum	PE	4
Coal	CL	2
Lead	L	3
Copper	CP	3
Iron Ore	I	3



## RECORD OF INVESTMENTS

Round	1st Balance	State	Investments		2nd Balance	Event (+ or -)	3rd Balance
			Product	Cost			
1	\$300 million						
2							
3							
4							
5							
6							
7							
8							
9							
10							

### TALLY SHEET

At the end of round 10, use this form to compute your profit or loss.

	<u>Product</u>	<u>Number</u>	=	<u>Value from Table</u>
(1)	Aircraft	_____	=	_____
(2)	Cattle	_____	=	_____
(3)	Chemicals	_____	=	_____
(4)	Coal	_____	=	_____
(5)	Copper	_____	=	_____
(6)	Cotton	_____	=	_____
(7)	Fruit	_____	=	_____
(8)	Iron Ore	_____	=	_____
(9)	Lead	_____	=	_____
(10)	Motor Vehicles	_____	=	_____
(11)	Paper	_____	=	_____
(12)	Petroleum	_____	=	_____
(13)	Steel	_____	=	_____
(14)	Tobacco	_____	=	_____
(15)	Wheat	_____	=	_____
				===== = Total Value

_____	Total Value
+ _____	3rd Balance from Round 10 (if any)
_____	Sub Total
- 300 _____	Loan
=====	<b>Profit</b>

Note: If you do not have enough money to repay the \$300 million loan, then you have suffered losses equal to the difference between \$300 million and your cash on hand.

## Historical Events

- (1) 1886: Samuel Gompers organizes skilled workers into the American Federation of Labor. The union demands higher wages from steel and paper manufacturers. Investors in these industries pay additional wages of \$3 million per investment.
- (2) 1900: Andrew Carnegie's steel mills earn \$20 million in a single year. For selling him raw materials, owners of mining companies receive \$5 million per investment in coal and iron ore.
- (3) 1901-1910: Nearly 9 million immigrants come to the United States. This means a greater demand for food products. Wheat, cattle, and fruit investors increase profits by \$2 million per investment.
- (4) 1913: Henry Ford introduces the assembly line into his automobile factories. This makes it possible to manufacture cars faster and cheaper. Motor vehicle investors increase profits by \$6 million per investment.
- (5) 1917: Large amounts of agricultural products, raw materials, and manufactured goods are needed as the United States enters World War I. Investors receive profits per investment as follows: agriculture, \$1 million; raw materials, \$2 million; manufacturing, \$3 million.
- (6) 1920s: The "Roaring Twenties" brings flappers, jazz bands, the Model T, and large profits to everyone except farmers. Investors in manufactured products receive \$4 million per investment; in raw materials, \$2 million per investment.
- (7) 1929: The "stock market crash" marks the beginning of the worst U.S. depression. People cannot buy as much as before. Business losses amount to the following per investment: agriculture, \$1 million; raw materials, \$2 million; manufacturing, \$3 million.
- (8) 1935: The Social Security Act is passed requiring businesses to contribute money to pay workers who are unemployed or retired. Each investor must contribute \$5 million.
- (9) 1937: The United Auto Workers union strikes motor vehicle factories and wins demands for wage increases. Investors must pay \$3 million per motor vehicle investment.
- (10) 1941: The United States enters World War II and needs agricultural products, raw materials, and manufactured goods. Investors receive profits as follows: 1-5 investments, \$15 million; over 5 investments, \$25 million.
- (11) 1939-1945: During World War II, 40,000 planes are purchased to fly against the Germans and Japanese. Aircraft profits rise. Investors receive \$10 million per investment.
- (12) 1967: It has been reported that \$15 million a day is spent by Americans for cigarettes. Tobacco investors receive profits of \$8 million per investment.
- (13) 1972: Your factories have been found guilty of polluting the air. Pay fines of \$2 million per manufacturing investment.
- (14) 1972: Two-thirds of the world's oil wells are found in the United States. This means big profits for American oil companies. Collect \$15 million if you have petroleum investments.
- (15) 1973: Workmen's compensation laws require factory owners to buy insurance which covers employees injured on the job. All manufacturers must pay insurance rates as follows:
  - 1-5 manufacturing investments — pay \$5 million
  - 6-10 manufacturing investments — pay \$10 million
  - over 10 manufacturing investments — pay \$15 million