Teacher Discussion Prompts and Project Extensions

This file is for AP Business with Personal Finance teachers running the course as a flipped, project-based, or seminar-style class. The prompts are tagged by unit and by AP Skill Category (1: identify; 2: explain; 3: recommend / decide; 4: synthesize across course concepts). Each prompt is designed for a 15–25 minute classroom discussion or written exit-ticket.

Unit 1 — Businesses, Competition, and New Ideas

1. **(Skill 3)** A local family-owned hardware store has competed for 30 years against a big-box rival across town. Now a same-day-delivery online retailer is moving into the area. Identify which of the three competitors has the strongest **competitive advantage** today, and explain how the others might respond.
2. **(Skill 4)** Pick a business in your school's neighborhood. Run a one-paragraph PESTEL on it. Which letter — political, economic, social, technological, environmental, legal — is the biggest threat in 2027? Defend the answer.
3. **(Skill 2)** Two students each pitch the same product idea: a low-cost electric scooter rental in your town. One student frames it as a partnership with the city; the other as a solo LLC that operates independently. Which structure is more likely to survive the first year, and why?
4. **(Skill 3)** A founder asks you whether to pursue **desirability**, **feasibility**, or **viability** evidence first. The right answer depends on the situation — but every answer must include a worked example.

Unit 2 — Marketing

1. **(Skill 1)** A coffee shop owner shows you a list of 200 customer transactions tagged by drink, time of day, and party size. What three questions would you ask the data first, and what answers would change the marketing plan?
2. **(Skill 3)** A streaming service is debating whether to advertise on a sports broadcast or a podcast network. Both reach the right segment. The sports broadcast is 4× more expensive but reaches 3× more people. Recommend one and justify with a CPM (cost per thousand) calculation.
3. **(Skill 4)** Cialdini's seven principles of influence. Pick three. Find one **ethical** real-world example of each in current advertising and one **manipulative** example of each. What is the line between persuasion and manipulation?

4. **(Skill 2)** A startup wants to use **dynamic pricing** (prices changing in real time). Identify two industries where customers accept this and two where they don't. What's the difference?

Unit 3 — Personal and Business Finance

1. **(Skill 3)** A 22-year-old earning $42,000/year with $18,000 of student debt at 6.5% APR and no emergency fund asks: pay down the debt or build the emergency fund first? Build the case for both sides; recommend one.
2. **(Skill 1)** Read a publicly available 10-K (or pretend version). Identify three line items that are *non-cash* expenses and explain why they appear on the income statement but not the cash-flow statement.
3. **(Skill 4)** A household's monthly take-home pay is $3,200. Their fixed needs are $2,100. Apply the 50/30/20 rule and explain whether it's the right framework for *this* household. If not, propose an alternative.
4. **(Skill 3)** You're advising a small business with a profitable income statement but a near-empty cash account. What's most likely happening, and what's your first recommendation?

Unit 4 — Management and Strategy

1. **(Skill 3)** A 40-employee company is choosing between (A) replacing its CEO and (B) reorganizing into product-based teams. Establish three decision-making criteria and recommend one option.
2. **(Skill 4)** Run **Porter's Five Forces** on the streaming-music industry in 2027. Which force has shifted most since 2015, and why?
3. **(Skill 2)** A manager has 8 direct reports and complains they have "no time for strategy." Identify three KPIs the manager could track that would replace some of the day-to-day work, and explain the trade-off.
4. **(Skill 1)** A SWOT for a regional grocery chain produces 30 items. How would you prioritize which 3 to act on first? Defend your method.

Unit 5 — Personal Goals, Budgeting, Investing

1. **(Skill 3)** A 23-year-old has $5,000 to invest. They can put it all in a target-date fund OR split it across an emergency fund (3 months of expenses) and a target-date fund. The household has no emergency fund today. Recommend.
2. **(Skill 2)** Identify three life events that should trigger a household to revise its insurance coverage, and explain what changes for each.
3. **(Skill 4)** A 35-year-old is saving 8% of income for retirement and feels behind. Walk through three things they could do — increase the percent, increase income, change retirement timing, change risk profile — and rank them by likely impact.
4. **(Skill 3)** A household receives a $20,000 tax refund. The household has $7,000 in credit-card debt at 22% APR, $2,000 emergency fund, and a 5-year-old child. Recommend an allocation of the $20,000 across at least three buckets and justify each.

Project extensions

Business Canvas — alternative project formats

- **The "kill it" version.** Each student / team finishes a canvas, then a peer team is assigned to **kill** it: find the strongest piece of evidence that the canvas won't work, in writing. Original team gets one round to revise. Teaches feasibility / viability hardness.

- **The portfolio version.** Each student maintains *three* canvases over the semester (one revised after every chapter cluster). The deliverable is a written reflection on which canvas survived and why.

Financial Advisor — alternative project formats

- **Same household, three economic scenarios.** Have students prepare three versions of the same recommendation: one for a recession scenario, one for a stable economy, one for high-inflation. Teaches sensitivity to assumptions.
- **Two households, conflicting goals.** Pair students with two household profiles whose goals conflict (e.g., a young couple wanting to buy a home and a retired couple downsizing in the same neighborhood). Have them present recommendations and identify the policy implications.

Cross-course capstone

- A 4-week capstone where students take their finished Business Canvas and produce a one-year financial plan for the founder couple — bridging Units 1–4 (the business) and Unit 5 (the personal life of the founder). Strong preparation for both the Business Canvas Validation FRQ and the Personal Finance FRQ.

Assessment notes

For each prompt above, students earn full credit for: (1) using AP-framework vocabulary correctly, (2) citing specific evidence from the scenario or from outside research, and (3) naming a clear trade-off. Penalize answers that float in generality without naming a specific business, household, or number.