*Lemonade in Winter* by Emily Jenkins

Discussion Questions

1. Pauline’s big idea is a lemonade stand. Why does Mom say it isn’t such a good idea?

*She says it’s freezing outside, and no one will be out. That means no customers.*

1. Why does Dad think the lemonade stand isn’t a good idea?

*He says no one will want a cold drink on a cold day.*

1. Why do Pauline and John-John search for coins? Where do they search? Are these good places to look?

*They need money to buy resources for the lemonade stand. They look in the piggy bank, the drawers, pockets, under sofa cushions. This was a good idea because money can often be found in these places.*

1. Where do Pauline and John-John take their coins, and what do they do?

*They go to the grocery store to buy lemons, limes, sugar, and cups.*

1. When Pauline and John-John make and sell lemonade, are they consumers or producers?

*Producers.*

1. Do Pauline and John-John sell goods or services?

*They sell a good called a cup of lemonade.*

1. How much do the children charge for lemonade when they first open their market?

*They charge 50 cents a cup.*

1. Later, they change the price to 25 cents a cup. Why do they lower the price?

*They hope that if they lower the price, they will sell more lemonade.*

1. Why does Pauline decide to advertise? How does she advertise?

*She wants to attract more customers. She shouts out a jingle she has made up.*

1. How else does Pauline attract customers?

*She decorates the lemonade stand, provides entertainment, and lowers the price.*

1. Who is attracted to the stand by all of Pauline’s advertising?

*A group of hairdressers from across the street comes out to have some lemonade.*

1. In the story, Pauline and John-John run a lemonade stand, the grocer works at the grocery store, and the hair dressers work in the shop across the street. What are all of these people in the economy?

*They are producers—each specializing in selling goods or services. The grocer specialized in selling food. The hair dressers specialized in cutting hair.*

1. What capital resources do the children use at the lemonade stand?

*Table, signs, pitchers, and the green plastic box are all capital resources.*

1. Why does Pauline cry when she sees they have earned 16 quarters?

*She is unhappy because it cost more than 16 quarters to buy all the resources they needed to make lemonade.*

1. How can a business make money but not make a profit?

*Profit can be earned only after all the expenses of running the business—the costs of resources—have been earned back. The money earned after expenses have been paid is profit.*

1. How might Pauline and John-John create a more successful and more profitable lemonade stand?

*Wait until the weather is warmer when they will probably have more customers. Lemons and limes are cheaper in the summer, too.*

1. If you were Pauline or John-John would you have opened a lemonade stand in winter? What were the costs and benefits (disadvantages and advantages.)

*The costs and benefits all those mentioned above. The decision can vary. Was the main goal to make money? If so, the better decision would probably be to not open the stand outdoors on a cold winter day. But if the main goal was to have fun and do something outside, and you didn’t mind spending your money, then the benefits may outweigh the costs and some would open the stand even after they considered the costs and benefits. But some children may suggest that even if their main goal was to do something fun outside, they could have come up with an idea that did not require them to spend all of their money. When making a decision about how to spend your time or your money, it is usually a good idea to weigh (think through) your costs and benefits BEFORE you make a decision.*

Did Pauline or John-John do this? *No*

Might they have made a different decision if they had considered the costs and benefits (advantages and disadvantages) of opening a lemonade stand BEFORE they spent their money? *Probably. Particularly since Pauline was interested in making money.*