



# American Business

## Merit Badge Workbook

This workbook can help you but you still need to read the merit badge pamphlet.

The work space provided for each requirement should be used by the Scout to make notes for discussing the item with his counselor, not for providing the full and complete answers. Each Scout must do each requirement.

No one may add or subtract from the official requirements found in ***Boy Scout Requirements*** (Pub. 33216 – SKU 34765).

The requirements were last issued or revised in 2003 • This workbook was updated in March 2012.

Scout's Name: \_\_\_\_\_ Unit: \_\_\_\_\_

Counselor's Name: \_\_\_\_\_ Counselor's Phone No.: \_\_\_\_\_

<http://www.USScouts.Org> • <http://www.MeritBadge.Org>

Please submit errors, omissions, comments or suggestions about improving this workbook to: [Workbooks@USScouts.org](mailto:Workbooks@USScouts.org)

1. Do the following:

a. Explain four features of the free enterprise system in the United States. Tell its benefits and responsibilities.

Feature	Benefits	Responsibilities
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Describe the difference between freedom and license. \_\_\_\_\_

\_\_\_\_\_

Tell how the Scout Oath and Law apply to business and free enterprise. \_\_\_\_\_

\_\_\_\_\_

b. Describe the Industrial Revolution: \_\_\_\_\_

\_\_\_\_\_

Tell about the major developments that marked the start of the modern industrial era in the United States. \_\_\_\_\_

\_\_\_\_\_

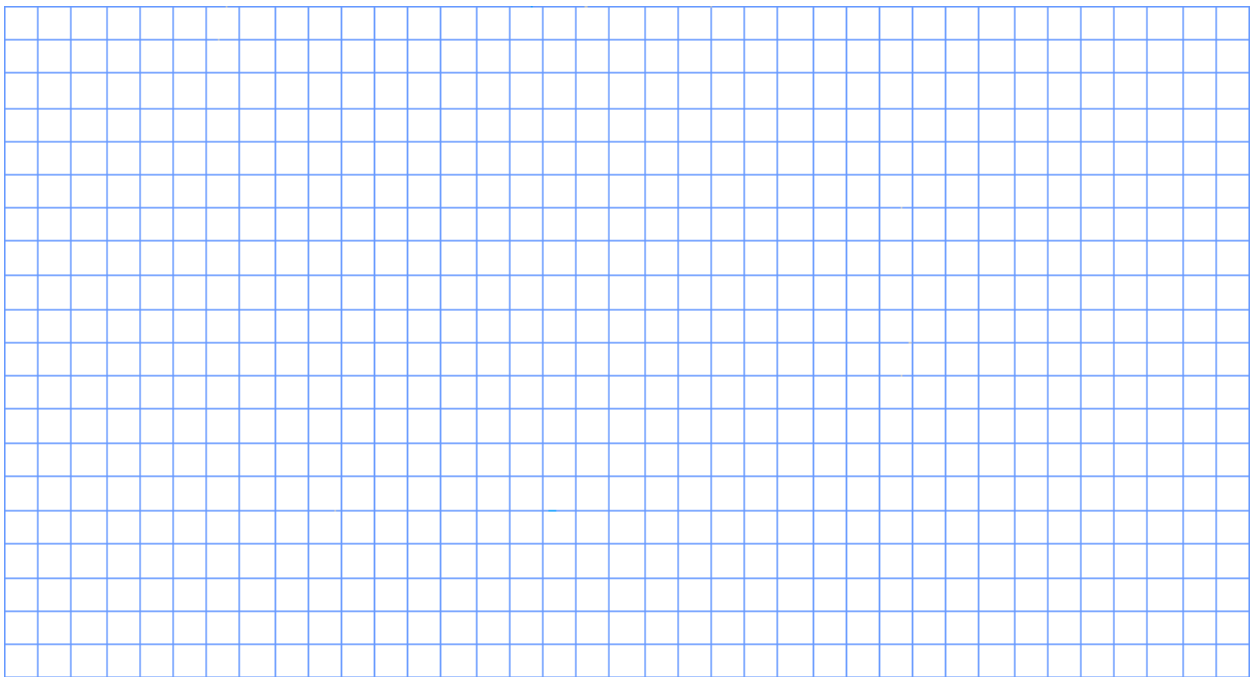
Tell about five people who had a great influence on business or industry in the United States. Tell what each did.

- 1. \_\_\_\_\_  
\_\_\_\_\_
- 2. \_\_\_\_\_  
\_\_\_\_\_
- 3. \_\_\_\_\_  
\_\_\_\_\_
- 4. \_\_\_\_\_  
\_\_\_\_\_
- 5. \_\_\_\_\_  
\_\_\_\_\_

2. Do the following:

- a. Visit a bank. Talk with one of the officers or staff.

Chart the organization of the bank. Show its relationship with other banks, business, and industry.



- b. Explain how changes in interest rates, taxes, and government spending affect the flow of money into or out of business and industry.

Interest Rates \_\_\_\_\_  
\_\_\_\_\_

Taxes \_\_\_\_\_  
\_\_\_\_\_

Government Spending \_\_\_\_\_  
\_\_\_\_\_

c. Explain how a proprietorship or partnership gets its capital. \_\_\_\_\_

\_\_\_\_\_

Discuss and explain four ways a corporation gets its capital.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

d. Explain the place of profit in business. \_\_\_\_\_

\_\_\_\_\_

e. Name five kinds of insurance useful to business. Describe their purposes.

Type of Insurance	Purpose
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1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

3. Do the following:

a.  Pick two or more stocks from the financial pages of a newspaper.

Request the annual report or prospectus from one of the companies by  writing, or  visit its Web site (with your parent's permission) to view the annual report online.

Explain how a company's annual report and prospectus can be used to help you manage your investments. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

b.  Pretend to have bought \$1,000 worth of the stocks from the company you wrote to in requirement 3a.

Explain how you "bought" the stocks. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tell why you decided to "buy" stock in this company. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

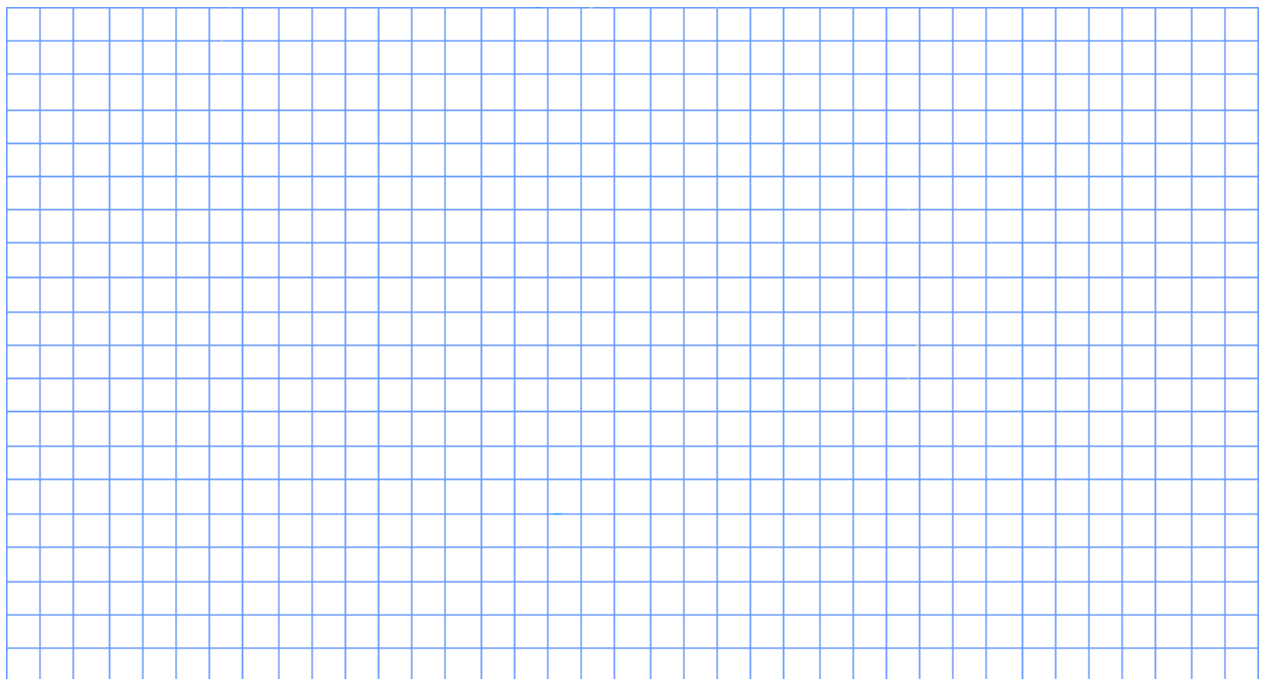
\_\_\_\_\_

Keep a weekly record for three months of the market value of your stocks. Show any dividends declared.

Stock 1: \_\_\_\_\_ Stock 2: \_\_\_\_\_

Week	Date	Stock 1		Stock 2		<i>(Optional Notes)</i>
		Price	Dividends	Price	Dividends	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

4. Do ONE of the following:
- a. Draw an organizational chart of a typical central labor council.



- b. Describe automation, union shop, open shop, collective-bargaining agreements, shop steward, business agent, and union counselor.

automation \_\_\_\_\_

\_\_\_\_\_

union shop \_\_\_\_\_

\_\_\_\_\_

open shop \_\_\_\_\_

\_\_\_\_\_

collective-bargaining agreements \_\_\_\_\_

\_\_\_\_\_

shop steward \_\_\_\_\_

\_\_\_\_\_

business agent \_\_\_\_\_

\_\_\_\_\_

union counselor \_\_\_\_\_

\_\_\_\_\_

- c. Explain the part played by four federal or state agencies in labor relations.

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

\_\_\_\_\_

5.  Run a small business involving a product or service for at least three months.

First find out the need for it. For example: a newspaper route, lawn mowing, sales of things you have made or grown.

\_\_\_\_\_

Keep records showing the costs, income, and profit or loss.

Week	Date	Costs	Income	Profit or Loss	(Optional notes)
1					
2					
3					
4					
5					
6					

Week	Date	Costs	Income	Profit or Loss	(Optional notes)
7					
8					
9					
10					
11					
12					
13					

Report:

- a. How service, friendliness, hard work, and salesmanship helped build your business.

Service \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Friendliness \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Hard work \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Salesmanship \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- b. The benefits you and others received because you were in business. Comparable 4-H, FFA, or Junior Achievement projects may be used for requirement 5.

You: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Others: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Do ONE of the following:

- a. Make an oral presentation to your Scout troop about an e-commerce company. Tell about the benefits and pitfalls of doing business online, and explain the differences between a retailer and an e-commerce company. In your presentation, explain the similarities a retailer and an e-commerce company might share. \_\_\_\_\_

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- b. Choose three products from your local grocery store or mall and tell your merit badge counselor how the packaging could be improved upon so that it has less impact on the environment.

Grocery Store Item 1 \_\_\_\_\_

How could the packaging could be improved upon so that it has less impact on the environment?

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Grocery Store Item 2 \_\_\_\_\_

How could the packaging could be improved upon so that it has less impact on the environment?

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Grocery Store Item 3 \_\_\_\_\_

How could the packaging could be improved upon so that it has less impact on the environment?

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- c. Gather information from news sources and books about a current business leader. Write a two-page biography about this person or make a short presentation to your counselor. Focus on how this person became a successful business leader.

**Requirement resources can be found here:**  
[http://www.meritbadge.org/wiki/index.php/American\\_Business#Requirement\\_resources](http://www.meritbadge.org/wiki/index.php/American_Business#Requirement_resources)

## Important excerpts from the [‘Guide To Advancement’](#), No. 33088:

Effective January 1, 2012, the *‘Guide to Advancement’* (which replaced the publication *‘Advancement Committee Policies and Procedures’*) is now the *official* Boy Scouts of America source on advancement policies and procedures.

- **[ Inside front cover, and 5.0.1.4 ] — Unauthorized Changes to Advancement Program**  
***No council, committee, district, unit, or individual has the authority to add to, or subtract from, advancement requirements.***  
(There are limited exceptions relating only to youth members with disabilities. For details see section 10, “Advancement for Members With Special Needs”.)
- **[ Inside front cover, and 7.0.1.1 ] — The [‘Guide to Safe Scouting’](#) Applies**  
Policies and procedures outlined in the *‘Guide to Safe Scouting’*, No. 34416, apply to all BSA activities, including those related to advancement and Eagle Scout service projects. [Note: Always reference the online version, which is updated quarterly.]
- **[ 7.0.3.1 ] — The Buddy System and Certifying Completion**  
Youth members must not meet one-on-one with adults. Sessions with counselors must take place where others can view the interaction, or the Scout must have a buddy: a friend, parent, guardian, brother, sister, or other relative—or better yet, another Scout working on the same badge—along with him attending the session. When the Scout meets with the counselor, he should bring any required projects. If these cannot be transported, he should present evidence, such as photographs or adult certification. His unit leader, for example, might state that a satisfactory bridge or tower has been built for the Pioneering merit badge, or that meals were prepared for Cooking. If there are questions that requirements were met, a counselor may confirm with adults involved. Once satisfied, the counselor signs the blue card using the date upon which the Scout completed the requirements, or in the case of partials, initials the individual requirements passed.
- **[ 7.0.3.2 ] — Group Instruction**  
It is acceptable—and sometimes desirable—for merit badges to be taught in group settings. This often occurs at camp and merit badge midways or similar events. Interactive group discussions can support learning. The method can also be attractive to “guest experts” assisting registered and approved counselors. Slide shows, skits, demonstrations, panels, and various other techniques can also be employed, but as any teacher can attest, not everyone will learn all the material.

There must be attention to each individual's projects and his fulfillment of *all* requirements. We must know that every Scout—actually and *personally*—completed them. If, for example, a requirement uses words like “show,” “demonstrate,” or “discuss,” then every Scout must do that. It is unacceptable to award badges on the basis of sitting in classrooms *watching* demonstrations, or remaining silent during discussions. Because of the importance of individual attention in the merit badge plan, group instruction should be limited to those scenarios where the benefits are compelling.

- **[ 7.0.3.3 ] — Partial Completions**  
Scouts need not pass all requirements with one counselor. The Application for Merit Badge has a place to record what has been finished—a “partial.” In the center section on the reverse of the blue card, the counselor initials for each requirement passed. In the case of a partial completion, he or she does not retain the counselor's portion of the card. A subsequent counselor may choose not to accept partial work, but this should be rare. A Scout, if he believes he is being treated unfairly, may work with his Scoutmaster to find another counselor. An example for the use of a signed partial would be to take it to camp as proof of prerequisites. Partials have no expiration except the 18th birthday.