

Be Your Own Boss

You are the owner and manager of a diner located along a busy interstate highway. You do a good business with travelers passing through as well as locals who eat with you regularly. Recently, there have been several robberies during operating hours in nearby businesses. Your local customers are beginning to get a little scared about coming to your business. Outline a plan to minimize your risk of robbery. Include ways to make your customers feel safe.

Think Critically

1. What should you do to prepare for business risks?

2. How can you protect your business from theft?

Problem Solving

1. In the first column of the following table, list the methods that can prevent or reduce shoplifting. Then, rank the methods from 1 to 5 according to effectiveness, cost, and ease of implementation. A ranking of 1 should indicate the most effective, the least expensive, and the easiest to implement.

Method	Effectiveness	Cost	Ease of Implementation

Think Critically

1. What is the difference between a pure risk and a speculative risk?
2. Why are some risks uninsurable?
3. Tim Stanton has just opened a surf shop on the beach in South Florida. He has purchased property insurance to cover possible losses against his building, fixtures, equipment, merchandise, and other assets. Against what additional risks should he consider insuring his business?

Problem Solving

1. The first column of the following table lists business risks. Complete the table by identifying the type of insurance that covers each risk.

Risk	Type of Insurance
Death of owner	
Lawsuit due to accident on premises	
Earthquake	
Robbery	
Lawsuit claiming that a defect in a product manufactured or sold caused bodily injury	
Fire	
Storm damage	
Extra expense of operating out of a temporary location after fire has destroyed the building	

2. Why would a business decide to accept credit cards issued by banks and credit card companies instead of issuing its own credit card?