

# An Idea that Paid

## A PLAY DEVELOPED AND ACTED BY AN EIGHTH GRADE CLASS

---

FLORENCE BROOKS MILLER, *Teacher*  
*Fairmount Junior High School, Cleveland, Ohio*

AFTER APPROXIMATELY four weeks spent in a study of the arithmetic used in business by a proprietor of a store, by partners, and also by a stock company, this play was worked up in an eighth grade class. A review of the seventh grade work on Profit and Loss recalled the meaning of wholesale price, retail price, gross profit, overhead expense, net profit, and rate of income. The new work had to do with the forming of a partnership, the sharing of profits and of losses, and the determining of the rate of income; the forming of a stock company with emphasis upon the raising of capital by selling shares of common and preferred stock, the dividing of the net profit among the shareholders of each kind of stock, par as the original value of the stock, buying stock above and below par, and figuring the rate of income of the stockholder.

Every member in the class had an opportunity to make suggestions and to criticize the various scenes as they were worked out. The following leads were used as guides in developing the play:

1. A salable article is necessary to produce a profitable business, something new, time-saving, work-saving, and not too expensive.

Several suggestions were given but the class as a whole liked the idea of a "bed-maker" as described in the play. The pupils got a great deal of fun out of selecting names which would be suitable to the characters, and enjoyed talking over the possibilities of the workings of the "bed-maker."

2. An agreeable, conscientious, honorable business man increases business.

3. A man's rate of income tells more accurately his financial standing than does his income stated in dollars and cents.

4. There are some advantages and some disadvantages in a business partnership.

5. The formation of a stock company makes possible a larger capital

with which to do business and thus a larger income is derived if the business is profitable.

6. There are laws governing the forming of a company for the protection of the interests of all concerned.

Investigations were carried on by the pupils to get information regarding questions which naturally arose as the play developed. The value of dramatizing is greatly increased when the play is worked up by the performers. The choices of pupils chosen for the parts were approved by the class.

This play, with makeshift properties such as screens for partitions between rooms, the teacher's desk for the counter in the store, etc., was presented in the classroom before the class and a few visitors including the principal of the school. At the close of the presentation of the play a coincidence occurred which served to fix in the minds of the pupils the reality of stocks. Mr. Crowell, the principal of the school, stepped before the class, taking from his pocket a stock certificate. He had purchased it just that morning and had not yet placed it in his deposit-box at the bank. The bell for the passing of classes interrupted the discussion which was brought about by Mr. Crowell's apt questioning and business like explanations regarding the stock certificate.

#### AN IDEA THAT PAID

Time: The present.

Place: A store where electrical appliances are sold.

(MR. GOODSPELLER, a clerk, is arranging boxes behind the counter when the owner of the business enters).

MR. GOODSPELLER. Good morning, Mr. Thinkitout.

MR. THINKITOUT. Good morning, Goodseller.

MR. G. I lay awake last night thinking about your asking me to be your partner. I wasn't kept awake by worry but by excitement. I shall be so glad to accept your generous offer. I have saved up \$5000. Will that do?

MR. T. That will be satisfactory. I wouldn't want everybody for a partner. We have worked together two years and in that time I have found you to be ambitious, honorable, and genial. You have drawn trade and have kept good customers. These customers will, no doubt, be interested in my invention, the bed-maker, and we shall bend our energies on selling it. (*He steps to the door of his office which is also seen by the audience, and addresses the stenographer,*

*who is at her typewriter.*) Good morning, Miss Stenotype. This is a fine morning isn't it? (*He hangs up his coat and hat.*) Miss Stenotype, please call up our lawyer, Mr. Knowalot, and ask him if he can come over here right away. Ask him to bring the necessary papers which should be used in forming a partnership.

MISS STENOTYPE. Very well, Mr. Thinkitout.

(*A customer enters the store.*)

MR. G. Good morning, Madam.

MRS. WANTOBUY. Good morning. I have come to find out about your bed-making device. A friend of mine has one and likes it very much.

MR. G. Yes, we have a wonderful device.

MRS. W. Will you explain it to me please?

MR. G. Certainly. The mechanism makes all of the beds in the house. (*He shows her a small keyboard of buttons to be pressed to operate the bed-maker.*) When installed, this keyboard of buttons is on the wall in the hall or living-room or wherever else you might wish to have it. Each pair of buttons represents a bed. When one button is pressed a bed is automatically made up.

MRS. W. And the red buttons?

MR. G. When fresh linen is to be put on the bed, it is laid on a chair at the foot of the bed. Then by pressing the red button the bed is made up fresh. In fact the bed when made up by this means looks perfect, much nicer than when made by hand.

MRS. W. Why is there a glass over the keyboard?

MR. G. To avoid an accidental touching of the buttons. If the bed is still occupied when the button is pressed it could cause a very uncomfortable experience for the occupant.

MRS. W. Would he get a shock?

MR. G. Not an electrical shock. Though this device is run by electricity, there is no current in the parts which are around the bed.

MRS. W. How long will it take to install the bed-maker?

MR. G. How many beds have you?

MRS. W. Three.

MR. G. About three to four hours.

MRS. W. What will it cost?

MR. G. A hundred dollars a bed plus fifty dollars for installing it, making it come to three hundred and fifty dollars.

MRS. W. What are your terms?

MR. G. Ten per cent discount for cash, that is payment within thirty days, or fifty dollars down and easy monthly payments to extend over a year.

MRS. W. That would mean more money, wouldn't it?

MR. G. Yes, because there would be a small carrying charge.

MRS. W. Of course you guarantee service?

MR. G. Yes indeed. So far we have had no complaints.

MRS. W. I'll pay cash. Please send a man out tomorrow to install it.

MR. G. The name and address please?

MRS. W. Mrs. I. Wantobuy, 3005 Modern Avenue, Uptodate Heights, Ohio.

MR. G. Thank you Mrs. Wantobuy. That will cost you three hundred and fifty dollars less ten per cent or thirty-five dollars, which is three hundred and fifteen dollars.

*(Exit Mrs. Wantobuy.)*

*(Enter Mr. Knowalot, the lawyer.)*

MR. G. Good morning, Mr. Knowalot. Come into the office. Mr. Thinkitout is in here.

*(They go into the office. Each greets the others.)*

MR. KNOWALOT. Can this business be done in a hurry? I really should be at the Courthouse now.

MR. T. Yes, Mr. Knowalot. We want to form a partnership and want it legal.

MR. KNOWALOT. I see. A partnership. Well I guess you realize that each of you will be liable for the business debts incurred by the other? What do you value your business at?

MR. T. \$20,000.

MR. K. What share will Mr. Goodseller hold?

MR. T. \$5000.

MR. K. That means that Mr. Goodseller will receive  $\frac{1}{4}$  of the profits and you  $\frac{3}{4}$ , that Mr. Goodseller will have to meet  $\frac{1}{4}$  of the losses, if there should be any, and you  $\frac{3}{4}$ . Is that clear?

BOTH. Yes, Mr. Knowalot.

MR. K. Is the business on a firm basis?

MR. T. Yes. Thanks to Mr. Goodseller our sales have been phenomenal.

MR. K. Had you ever thought of forming a stock company in order to do business on a larger scale?



MR. T. In time. At present we don't know enough moneyed men.

MR. K. Moneyed men are not the only ones who invest in stock. Besides I feel that you have invented a good salable article. It is well protected by being patented. I know quite a number of men and women who come to me for advice about investing their money. How would it do to have me arrange to have a few come here and talk the matter over?

MR. T. What do you think, Goodseller?

MR. G. Sounds good to me.

MR. T. Well, it sounds good to me, too. Can you do it soon?

MR. K. Yes. I'll get right at it today and we'll meet here next week. I'll give you a ring. I must rush along now. Good-day, gentlemen. (*He goes out*)

#### ACT II

Time: Thursday of the following week.

Place: Office of Mr. Thinkitout.

(*The telephone rings. Miss Stenotype answers it.*)

MISS S. Thinkitout office. (*Pause*) Oh, yes, Mr. Knowalot. Just a moment please. (*To Mr. Thinkitout.*) Mr. Knowalot wants to know if two o'clock today will suit you to have the meeting of the prospective investors here.

MR. T. Yes.—Tell him that will be fine.

MISS S. (*Talking over the phone*). Yes, Mr. Knowalot. That will be fine, Mr. Thinkitout says. Goodbye.

MR. T. It is now one-thirty. Get some chairs around the table. Did Mr. Knowalot say how many would be here?

MISS S. Yes. Three besides himself.

MR. T. We'll need seven chairs. Miss Stenotype, we'll need you.

MISS S. Very well, Mr. Thinkitout.

(*They arrange the room for the expected people and then busy themselves with office work. Enter Mr. Knowalot with Mr. Rollinmoney.*)

MR. K. Good afternoon, gentlemen. (*Greetings are exchanged.*) I would like you to meet Mr. Rollinmoney, Mr. Thinkitout, Mr. Goodseller. (*They in turn shake hands and express pleasure at meeting each other.*)

MR. K. (*As they take seats*). I am happy to bring you men together because Mr. Rollinmoney wants to know of some good way to invest his money, Mr. Thinkitout has a fine invention, and Mr. Goodseller

knows how to convince the public that they want what he has to sell. Two others are to meet us here. I expect them any minute. Ah! Here they are now. (*As Miss Game and Mr. Prosper enter.*) Good afternoon, Miss Game. Good afternoon, Mr. Prosper. (*Introduces each to those present. Mr. Thinkitout introduces Miss Stenotype to all.*) Now that we are all here, Mr. Thinkitout, will you please explain your invention?

MR. T. Yes. My invention is a bed-maker. I think it is not necessary to go into details about its construction as it would be difficult to follow. It is an electrical device controlled by a keyboard such as you see here. (*Holds up the keyboard.*) This set is for three beds. Each pair of buttons controls a bed. The keyboard may be installed any convenient place in the house. After the room has been well aired the housewife presses a button and the bed is made up. The red buttons are to be used when fresh linen is to be put on the bed.

MR. PROSPER. You don't say! Has it been well tried out?

MR. T. Yes. We have several installed right in this town. Mr. Goodseller got an order a few days ago to install one in Uptodate Heights.

MISS G. That certainly would be a blessing to us busy women! How does the bed look when it is made by the bed-maker?

MR. G. Perfect! Far better than when made by hand.

MR. R. What do you charge?

MR. T. One hundred dollars a bed and fifty dollars for installing it.

MR. P. Isn't that very cheap?

MR. T. If it is too expensive people will not buy. Furthermore at that price we make a good profit.

MR. P. What rate of profit?

MR. T. We have made as high as sixty per cent. But much of our profit will be used in advertising and paying high-priced traveling salesmen, and enlarging our offices, showrooms, and factory.

MR. R. Oh! Yes. Now that sounds like business.

MR. K. Mr. Thinkitout, what sum of money do you think would be a good working capital for a stock company to have for making and selling the bed-maker?

MR. T. I think \$100,000 would be about right.

MR. R. (*Whistles*). \$100,000! I'll have to have a lot faith in you gentlemen because I don't know very much about the workings of a stock company.

MR. K. You see, Mr. Rollinmoney, we shall have to get permission from the state to incorporate.

MR. R. To in—— what?

MR. K. To incorporate. By that I mean to become a legalized firm in the eyes of the state.

MISS G. Will you please tell us, Mr. Knowalot, just what must be done to form a company?

MR. K. Yes. To form a company there must be at least three persons two of whom are United States citizens. Right here we have seven. (*Looking around.*) You will want to be in this company won't you, Miss Stenotype?

MISS S. Yes indeed. I have some savings and know what a fine invention Mr. Thinkitout has and how well the business has been going.

MR. K. Well, to present the ideas I shall take for granted that we all shall become stockholders.

MR. R. Stockholders! That sounds familiar. I bought some stock the other day upon the advice of a stock-broker and a few days later he advised me to sell. I made some money doing that but I don't know how.

MR. K. We must get a permit from the State to become incorporated. We shall have to file articles of incorporation in Columbus. These articles will contain a brief account of the invention, the fact that it is patented, its use, the name of the inventor, the place of business, by-laws of the company, officers, directors, amount of the capital stock, and its par value. The name we give our company must not be similar to that of any other company.

MR. G. Well I am sure there is no other bed-maker company.

MR. K. Are there any questions?

MR. R. Yes. There are a lot in my mind but I'm ashamed to ask them.

MR. K. You need not be ashamed. What's on your mind?

MR. R. A little while ago you decided that \$100,000 would be needed to carry on this business. Where is it coming from?

MR. K. The \$100,000 will be divided into small portions which we call shares. Usually a share is one hundred dollars worth of stock. We could divide it this way: shares which cost one hundred dollars each as preferred stock, and shares which cost fifty dollars each as common stock.

MISS G. What is the difference between preferred and common stock?

MR. K. Those who buy either kind receive a stock certificate showing the number of shares he owns and the par value of each. On the certificate of the preferred stock it also states the per cent of the par value to be received quarterly, semi-annually or annually by the owner of the stock. That is called the rate of dividend. The dividend rate is usually six, seven, or eight per cent. The common stockholder is not promised a stipulated dividend but is sure to receive something if the business is prosperous, and sometimes even receives a higher rate than that promised the preferred stockholder.

MR. R. You mentioned "par" several times. What does that mean? I know what "par" in golf means.

MR. K. "Par value" we shall think of as the original value of a share of stock. It is the amount that will be stated on our stock-certificates.

MISS G. How could a holder of common stock ever receive a higher dividend rate than the holder of preferred stock does?

MR. K. With very careful bookkeeping the company determines what its profits are. At a directors' meeting a decision is made as to what should be done with the net profit. When the money promised the holders of the preferred stock is set aside for them there may be enough left to divide among the holders of the common stock. Divided profits are called dividends. Sometimes the profits are large enough to warrant a very large dividend for the shareholders. Those holding preferred stock get what is promised to them and the rest may go to the common stockholders.

MR. P. Would it not be well for us to have the two kinds of stock? How about having the \$100,000 divided in this way: Five hundred shares of preferred stock at one hundred dollars a share, that would mean \$50,000, and one thousand shares of common stock at fifty dollars a share, that would mean the other \$50,000?

MR. T. That sounds very good to me. I have \$20,000 and would like to buy one hundred shares of preferred stock and two hundred of common stock.

MR. K. Miss Stenotype, will you please take this down?

MISS S. Yes, Mr. Knowalot, I am taking down everything.

MR. G. I have five thousand dollars to invest. I should like to have twice as much common stock as preferred. That will mean, if my figures are correct twenty-five shares of preferred stock and fifty of common.

MR. K. Right you are, Mr. Goodseller.



MISS S. I'll take five shares of preferred and ten of common. That is one thousand dollars.

MR. R. I'll invest \$15,000 in one hundred shares of preferred and one hundred shares of common stock.

MR. P. I'll invest \$10,000 by buying fifty shares of preferred and one hundred shares of common.

MISS GAME. I have only five thousand dollars which is not tied up. I'll buy twenty-five shares of preferred and fifty of common stock.

MR. K. I'll do the same. I'll buy twenty-five shares of preferred and fifty of the common stock. Miss Stenotype, I see that you have that all tabulated. Will you please total the number of shares of preferred stock and also the number of shares of common stock?

MISS S. Yes, Mr. Knowalot, there are 330 shares of the preferred stock which will amount to \$33,000 and 560 shares of the common which will bring in \$28,000. That means that we have raised \$61,000.

MR. K. \$61,000 from \$100,000 means \$39,000 worth of stock to sell. Mr. Thinkitout, could you go with me to Columbus next Monday? I have to go on other business and could combine the obtaining of a charter for this company with that job if you wish.

MR. T. Yes. I know of nothing that would interfere with my going.

MR. K. It is getting late and I must hurry away. Could we all meet here again tomorrow to elect officers and take necessary steps to have all in readiness for Mr. Thinkitout and me to present to the Secretary of State in applying for our charter? (*All signify their willingness as the curtain falls.*)

### ACT III

Time: Two years later.

(*Mr. Prosper and Miss Game walking along the street.*)

MISS GAME. That was a fortunate day for me when Mr. Knowalot asked me to consider buying stock in the Thinkitout Bedmaker Company.

MR. PROSPER. For me too. I had my money in the bank and in scattered minor investments which didn't pay nearly so well.

MISS G. This year the common stock dividend rate is higher than that of the preferred stock just as Mr. Knowalot said might be the case.

MR. PROSPER. Here comes Mr. Rollinmoney.

MR. ROLLINMONEY. Well! Well! How do you do? (*They all ex-*

*change greetings.*) We all feel on top of the world don't we? I tell you that Thinkitout Bedmaker stock has paid me more than all my other investments have.

MR. P. Have you heard that the directors want to enlarge the business and are authorized to sell more stock?

MISS G. Is that so? I shall want to buy some more.

MR. R. I am sure it will sell easily. I have just come from the Stock Exchange where I found that the Thinkitout Bedmaker stock is selling fifteen points above par.

MR. P. My Excelsior stock is way below par. It is at 82. I should like to get rid of it but must wait until it is worth more. I bought it at par.

MISS G. I believe that I shall go right over to Mr. Knowalot's office and ask him what I should do to get some more of the Thinkitout Bedmaker stock.

MR. P. Didn't you get a letter from the Company? I got one today. They are giving their present stockholders an opportunity to buy at the original price, one hundred dollars for preferred and fifty dollars for common stock, before it will appear on the stock market, at its present market value.

MISS G. Is that so? I haven't been home since the mail delivery. Well! I shall certainly take advantage of that offer.

MR. R. I wish I didn't have so much of my money tied up in stock that isn't paying.

*(They bid each other farewell.)*

CURTAIN

---

## Scripta Mathematica

We take pleasure in announcing the first appearance of *Scripta Mathematica*, Vol. I, No. 1, for September, 1932, a quarterly journal edited by Jekuthiel Ginsburg and devoted to the Philosophy, History, and Expository Treatment of Mathematics. Associated editors of the quarterly are Raymond Clare Archibald, Cassius Jackson Keyser, Louis Charles Karpinski, Gina Loria, Lao Genevra Simons, and David Eugene Smith.

The magazine is published by Yeshiva College at Amsterdam Avenue and 186th Street, New York City. Subscription price \$3.00 per year.—THE EDITOR.