

2.1 Business Basics

Directions: Fill in the table with examples of products and services that businesses sell. Complete the remainder of the worksheet.

Products	Services

The Profit Equation

$$\text{REVENUE} - \text{EXPENSES} = \text{PROFIT/LOSS}$$

The Profit Equation helps us calculate how much profit the company made. In order to make a profit, your goal is to have _____ revenue and keep your expenses _____.

Question 1

Sally made \$97 in sales, but spent the following setting up her ice cream stand:

- Ice cream maker: \$50
- Eggs: \$10
- Cream: \$10
- Sugar: \$5
- Cones: \$10
- Toppings: \$15

Did Sally make a profit?

$$\underline{\hspace{2cm}} - \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

Revenue Expenses Profit/Loss

How do you know?

Question 2

Jimmy spent \$75 dollars on ingredients to set up his bakery. He also needs to pay his 2 assistants \$50 each in salary for working.

What should his revenue goal be? Explain your answer. (Multiple correct answers)