

9.2 Production Budget

Directions: Use this budgeting chart to help your company budget for the production stage.

- 1. How much did you receive in VC funding for your company? \$_____BB.
- 2. Keep in mind additional expenses for your company that will be collected at the end of this session.
 - Rent = \$1BB per company
 - Salaries = \$1BB per company employee
 - Possible consulting fees/fines = approximately \$5Subtract these additional expenses from your funding to calculate your production budget: \$_____BB
- 3. Fill in the budgeting chart below to calculate estimated costs for raw materials.

Item	Price Per Unit	x	Quantity (how many?)	Cost
Total Cost				

4. _____ - _____ = _____
Budget Total Cost Balance

- a) If your balance is a positive number, you are **WITHIN** budget.
Is there anything else your company might need to get started?
- b) If your balance is a negative number, you are **OVER budget**. Adjust your budget.

REMEMBER: In order to have a profitable business, you must keep your **REVENUE HIGH** and **EXPENSES LOW!**
Use your creative thinking skills to determine any other ways to adjust your company budget and lower costs.