

1.2 Business Basics

Directions: Follow the presentation and fill out this worksheet.

Products	Services

The Profit Equation

REVENUE - **EXPENSES** = **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	Question 2												
<p>Sally made \$97 in sales, but spent the following setting up her ice cream stand:</p> <table style="margin-left: 40px;"> <tr><td>Ice cream maker:</td><td>\$50</td></tr> <tr><td>Eggs:</td><td>\$10</td></tr> <tr><td>Cream:</td><td>\$10</td></tr> <tr><td>Sugar:</td><td>\$5</td></tr> <tr><td>Cones:</td><td>\$10</td></tr> <tr><td>Toppings:</td><td>\$15</td></tr> </table> <p><i>Did Sally make a profit?</i></p> <p>_____ - _____ = _____</p> <p style="margin-left: 40px;">Revenue Expenses Profit/Loss</p> <p><i>Explain how you know</i></p>	Ice cream maker:	\$50	Eggs:	\$10	Cream:	\$10	Sugar:	\$5	Cones:	\$10	Toppings:	\$15	<p>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.</p> <p><i>What should his revenue goal be?</i></p> <p><i>Explain your answer. (Multiple correct answers)</i></p>
Ice cream maker:	\$50												
Eggs:	\$10												
Cream:	\$10												
Sugar:	\$5												
Cones:	\$10												
Toppings:	\$15												