

2.3 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 \$5

Subtract 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.