

11.1 Pricing Structure

Directions: Use the profit equation and pricing structure chart to set reasonable prices for your products that will guide your company to making a profit.

Profit Equation

$$\frac{\text{Total } \textcolor{brown}{REVENUE} \text{ Goal}}{\text{Total Estimated } \textcolor{red}{EXPENSES}} = \frac{\$70\text{BB}}{\text{Estimated Profit/Loss}}$$

Price Structure Chart

Fill out the chart below with the price you intend to sell your products and the number of products you produced.

Example: If you sell an item for \$2BB and plan to produce 20 of these products, your estimated revenue will be \$40BB

Product Category	Price Per Unit x Number of Units	Total Revenue (\$)
	\$_____BB x _____units	
	\$_____BB x _____units	
	\$_____BB x _____units	
	\$_____BB x _____units	
	\$_____BB x _____units	
Total Estimated Revenue (\$)		

REMEMBER: Be sure your estimated revenue is **HIGHER** than your total expenses. If not, adjust the pricing to make sure that your company can make a profit.