

2.1 Business Basics

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

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?

_____ - _____ = _____

Revenue Expenses Profit/Loss

Explain how 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)