Part 1: Calculating Revenue

1. What is the formula for calculating **revenue**? _______Price X Units Sold_________

2. We have a lemonade stand where we sell lemonade for $2 per cup. We sell 30 cups. What is our **revenue**?
   $2 X 30 = $60

3. Joe sells customized t-shirts for $20 each. He sells 25 t-shirts this week. What is Joe's weekly **revenue**?
   $20 X 25 = $500

4. A new pizza shop opens up down the street. They are charging $2.25 a slice and think they can sell 80 slices per day. What would be the pizza shop's daily **revenue**?
   $2.25 X 80 = $180

Part 2: Calculating Expenses

5. For our lemonade stand we spend $1.99 on plastic cups, $14.65 on ingredients to make the lemonade, and $2.50 for a bag of ice. What are the total **expenses** for our lemonade stand? $1.99 + $14.65 + $2.50 = $19.14

6. Joe spends $175 to by the t-shirts and another $50 for the supplies to customize the shirts. Joe sells his shirts at an outdoor market. It costs $150 to rent a booth. What are Joe's total **expenses**? $175 + $50 + $150 = $375

7. At the pizza shop the rent for the shop is $100 per day. One employee works in the shop for $50 per day. The cheese, sauce, and dough cost $0.50 per slice that is sold. If the store sells 80 slices per day, what are the daily **expenses**?
   $100 + $50 + **($0.50 X 80)**
   $100 + $50 + $40 = $190

Part 3: Calculating Profit

8. What is the formula for calculating **profit**? _____Revenue – Expenses = Profit________
9. Calculate the profit for the lemonade stand:
   What is the lemonade stand's **revenue** from question 2? _____$60_________

   What are the lemonade stand's **expenses** from question 5? _____$19.14________

   What is the **profit** for the lemonade stand? _____$40.86________

10. Calculate the profit for Joe's t-shirt business:
    What is Joe's weekly **revenue** from question 3? ______$500_________

    What are Joe's total weekly **expenses**? ______$375_________

    What is Joe's **profit**? ______$125_________

11. Calculate the daily profit for the new pizza shop:
    What is the pizza shop's daily **revenue** from question 4? ______$180_________

    What are the total daily **expenses** from question 7? ______$190_________

    What is the daily **profit** for the pizza shop? ______$ - 10_________

Part 4: Check for Understanding

12. Which of the three scenarios was the most profitable? How do you know? Joe's t-shirt business. It had the highest profit.
13. Which of the three scenarios was the least profitable? How do you know? The pizza shop. It had a loss.
14. What did you learn about the pizza shop? The pizza shop is losing money. The expenses are greater than the revenue.