

NAME: _____

DATE: _____

Entrepreneurs create businesses to earn a profit. A **profit** is the money you have left from your sales, after you have paid for all of your expenses.

To be an entrepreneur, you must have an idea, but you also need a plan for your business. You need to understand how much it will cost to start your business. You must figure out how to price your product to earn a profit.

Imagine you wanted to start a business called Biscuit Bakes. To figure out how to earn a profit, you must first determine what your expenses will be. Find the total:

	Item (for 100 biscuits)	Price
Product	Flour	£3.90
	Sugar	£2.65
	Salt	£1
	Butter	£4.20
	Reusable biscuit sheet	£8.70
	Baking powder	£2.00
Packaging	Bags	£3.49
Advertising	Card	£2.70
	Reusable pens	£5
TOTAL		



1. Assume that your ingredients will produce 100 biscuits.
How much does it cost to make each biscuit? How will you find out?
2. What will you charge for each biscuit to earn a profit?
3. Do you think people will pay that price? Why or why not?
4. What will you do with your profit? Will you reinvest it in your business or pay yourself?
How might you grow your business?
5. Which items will not need to be repurchased for the next batch of biscuits?
6. Will the price per biscuit go up or down? Why?
7. How much will it cost to make 100 biscuits the second time you bake?
8. If you continue to sell your biscuits for the same price, will your profits go up or down? By how much?