

# Enterprise & Marketing Assignment 3



1. Explain what revenue is and how businesses calculate their revenue.

2. Explain what profit is and how businesses calculate profit.

3. State whether each cost below is classed as **fixed** or **variable**.

Insurance –

Advertising –

Stock –

Utilities –

Salaries –

Packaging –

A business that manufactures shopping trolleys has provided you with a list of their operating costs:

Insurance payment - £50 per month

Factory rent - £500 per month

Metal (steel) - £10 per trolley

Trolley parts - £5 per trolley

Electricity - £120 per year

Packaging - £2 per trolley

4. What is the total variable cost of each trolley they manufacture?

5. What is this factory's TOTAL costs per MONTH when they manufacture 2000 trolleys? Show your workings.

6. **CHALLENGE:** What is the total cost PER TROLLEY manufactured within a month when they manufacture 2000? Show your workings.

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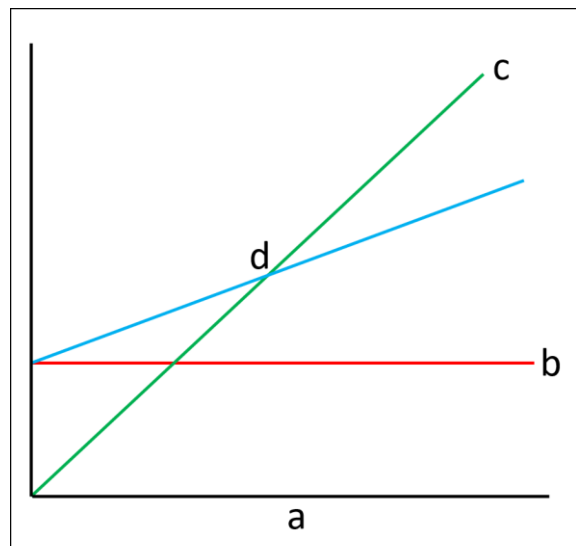
7. Explain the term break-even. Include the calculation.

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Factory rent - £500 per month  
Metal (steel) - £10 per trolley  
Trolley parts - £5 per trolley  
Electricity - £120 per year  
Packaging - £2 per trolley  
Selling price per trolley - £30

8. The business sold 2000 trolleys last month. Calculate their total profit/loss using the information above. Show your workings.

9. Using the information above, calculate this business's break-even point for last month. Show your workings.



10. The image above shows a break-even graph with four points labelled as a - d. What does each letter represent on the graph?

A -

B -

C -

D -