

<b>Ice cream seller</b>	<b>Calculations</b>
In one day sells 15 ice creams at a price of £0.75	What was the day's revenue?
Cone cost per ice cream: 5p Ice cream cost per ice cream: 20p Rent on the ice cream van for a day: £10	What was the day's total cost?
The entrepreneur had this financial objective: "To have made a profit of £10 at the end of the day" Did they meet their target?	What was the day's profit?
At the start of the day the ice cream seller put £100 of their own money into the business. They also borrowed a loan of £15 from the bank.	What was the net cash flow over the whole day?
The bank charges an interest rate for loans of 20% per week.	How much money does the ice cream seller need to pay to the bank at the end of the week?

**Define these key terms and give an example of each**

Financial objectives –

Non-financial objectives–

Fixed cost –

Variable cost–

Cash inflow –

Cash outflow –

Would the following improve or worsen a cash-flow situation?

1. Having £20,000 in the bank account at the start of the year
2. Selling an unused fixed asset
3. An injection of finance into the business from an investor
4. A business being offered generous credit terms from the supplier
5. The cost of rent on the business premises increases

For each source of finance, label it short-term or long-term

**Trade credit**  
**Venture capitalist**  
**Loan**  
**Retained profit**  
**Overdraft**  
**Crowdfunding**  
**Personal savings**  
**Share capital**

What would be the impact on an entrepreneur who drives a removal van if the price of petrol went up?

Petrol is an example of.....

The impact on total cost of this is.....

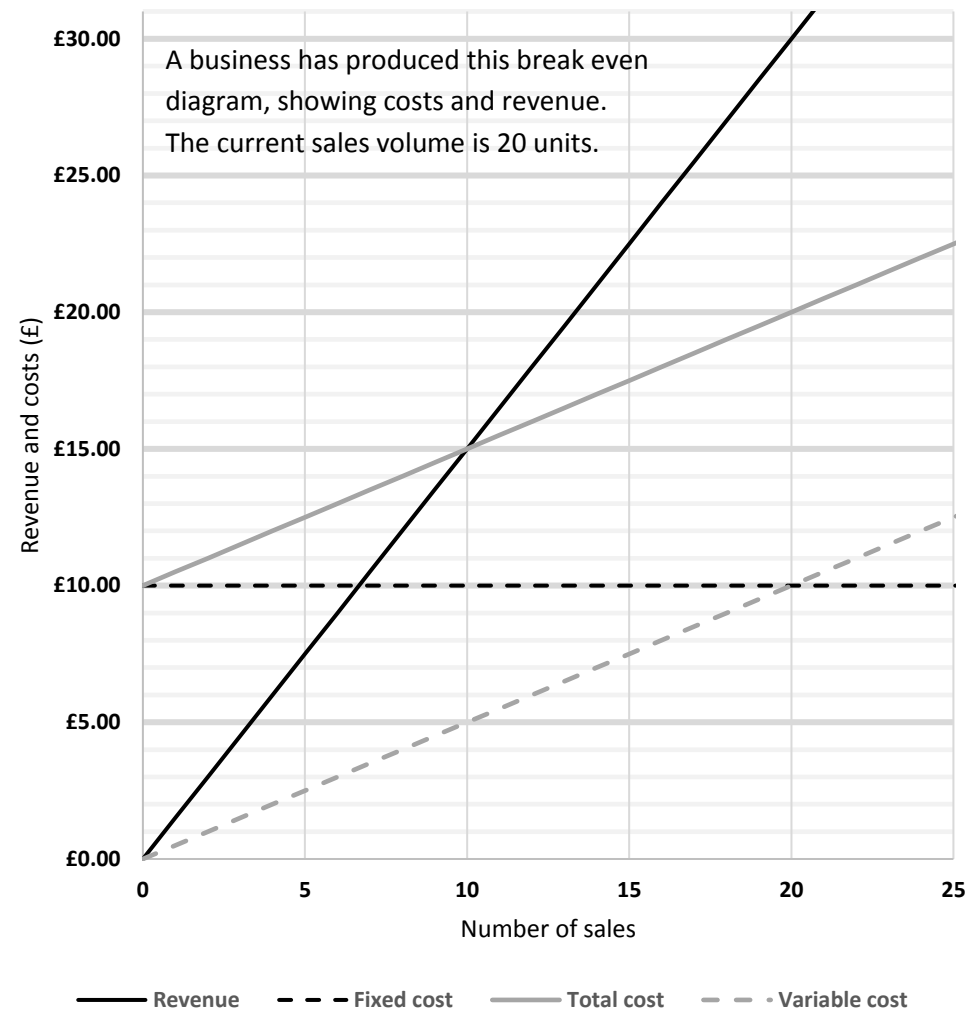
As a result of this profit will.....

The break-even quantity will.....

In response to this the entrepreneur could.....

Calculate the missing figures (identified with a \*) in the table below

(£)	Sept	Oct	Nov	Dec
<b>Total receipts</b>	14,000	15,000	8,500	19,500
<b>Payments</b>	-	-	-	-
Machinery/equipment	9,000	0	0	0
Wages	5,000	5,000	10,000	10,000
Heating & lighting	0	1,000	0	0
Other costs	2,200	2,200	2,200	2,200
Materials	2,000	2,000	2,000	0
Insurance	0	3,500	0	0
<b>Total payments</b>	18,200	*	14,200	12,200
Net cash flow	*	1,300	5,700	*
Opening balance	0	-4,200	-2,900	*
Closing balance	-4,200	-2,900	*	10,100



Using the graph above, calculate the

- 1) Break-even quantity
- 2) Margin of safety
- 3) Total revenue
- 4) Selling price
- 5) Total cost
- 6) Variable cost per unit

What would be the new break-even point if fixed costs rose by £2.00 and variable cost per unit rose by £0.20?