This starter will look back at what we have learnt already.

Complete the formulas

Variable costs =
Total Costs =
Revenue =
Profit =

Match the key term to its meaning

Break Even
Directly related to the making of a product
Revenue
The money coming into a business
Expenditure
The money that leaves a business
Capital Expenditure
Money spent on things the business will keep for a long time.
Start up costs
Money paid to keep the business running.
Direct costs
Running costs
The point where a business makes no profit or loss

8 Mark Question

Use Pages 30-31 to help you answer the following....

Steve is setting up a business selling handmade dinner plates. Explain to Steve how knowing his breakeven point will help him be successful.

Opening in this always give a definition (in this case what is breakeven), then give your opinion.

Second paragraph talk about the advantages, in this case why is it important Steve knows his break even, how will this help his business.

Third paragraph, talk about the disadvantages, in this case what will happen if Steve does not know his break even point.

Conclusion, bring your answer together, make sure you refer to the main question.