



Stage 9: Calculating profit

Learning Objectives:

- To calculate profit
- To solve multi-step problems

Stage overview:

In this stage, the children are introduced to the concept of revenue and profit and are taking through each stage of deciding on their product price, calculating their total expected revenue and profit.

Materials:

- Access to the internet or a supermarket
- Marketing strategy sheet

Presentation notes:

Slide 2: How do we choose a selling price?	<ul style="list-style-type: none"> - Today, we are going to decide what price we will charge for our products. - Ask the business groups to think about the factors we must consider when deciding on a price and take feedback.
Slide 3: Researching the competition	<ul style="list-style-type: none"> - Give the children the opportunity to use a supermarket website to research the prices of their competitors' products.
Slide 4: Revenue	<ul style="list-style-type: none"> - Introduce the concept of revenue and model how to calculate it using the power point. Revenue is the amount of money that businesses make from selling their products, before the cost of making the products are taken into consideration. - Ask the children to calculate their expected total revenue if they sell all of their products for their chosen selling price.
Slide 5-6: Profit	<ul style="list-style-type: none"> - Introduce the concept of profit and give the children examples to work out. - In order for a business to be successful, they need to make a profit. Profit is how much money businesses have left after they have subtracted the cost of making the products from their revenue.
Slide 7: Total profit	<ul style="list-style-type: none"> - Ask the children to subtract the total cost of buying their ingredients from their total expected revenue to calculate their total profit. - To reinforce their learning, ask the children to use a whiteboard application such as 'Explain Everything' to demonstrate their calculations and add verbal explanations to make a short instructional video. - The children could also extend their learning by using Google Sheets/MS Excel to create a basic profit/loss spreadsheet. They could try using different values to see if they can maximise profit either by

cutting costs or raising the price.

National Curriculum Links:

Subject	Topic	Objective
Maths	Addition and subtraction	<ul style="list-style-type: none">- Add and subtract numbers with up to 4 digits using the formal written methods of columnar addition and subtraction where appropriate- Solve addition and subtraction two-step problems in contexts, deciding which operations and methods to use and why.
Design and technology	Evaluate	<ul style="list-style-type: none">- Investigate and analyse a range of existing products
Computing		<ul style="list-style-type: none">- Select, use and combine a variety of software (including internet services) on a range of digital devices to design and create a range of programs, systems and content that accomplish given goals, including collecting, analysing, evaluating and presenting data and information.