

LESSON 08

BUSINESS EXPENSES PART I

Today's Objective:

Today's Date:

- ✓ Identify and define the 3 expense types: **start-up**, **fixed**, and **variable**.

Bell Ringer:

You own a local pizzeria. What kinds of things will you need to buy to operate each day? Each month? Each year? Brainstorm a list in the box below:

Step 1:

Vocabulary:

- **Start-Up Expenses:** Expenses that a business owner needs to pay before they can provide their product or service

What expenses would a pizzeria incur before they even open their doors to customers?

- **Fixed Expenses:** Expenses that a business owner needs to pay on a regular basis even if they don't sell any products or services for an entire month

What recurring expenses would a pizzeria have before/after they open their doors to customers?

- **Variable Expenses:** Expenses that a business owner needs to pay to create their product or service

What expenses would a pizzeria have to make 1 pizza?

Step 2:

To figure out what expenses your real food business will have, you'll need to think about timeline and each step that you will need to take to get your product or service to your buyer.

Example: The pizzeria needs to first make dough, cut meat, vegetables, and shred cheese, and then put it all into a refrigerator. The pizzeria then needs to warm the ovens up, receive an order on the phone, write the order down, and pay someone to take this order. The pizzeria then needs to pay an employee to make the pizza. To make the pizza, the employee must spread the dough on a pizza pan, assemble the pizza, cook the pizza, and then put the pizza into a box. Then, the pizzeria needs to pay an employee to drive the pizza to the customer.

Describe your production process below.
It can help to work in chronological order to make sure you don't forget any steps!

Process (Action or Step)	Material(s)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

Step 4:

Share your materials list with another group. Was there anything that you forgot to include?

1.

2.

3.

4.

5.

6.

7.

8.