



Essential Question: What will it cost to start our business or event?

Objectives – Students will:

- Explain three expense types: startup, fixed, and variable.
- Identify the types of expenses their business or event will have.

Launch: 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 - Use the space below to apply the vocabulary term.

Startup 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 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 fixed expenses would a pizzeria have regularly when they open their doors to customers?

Variable Expenses: Expenses that a business owner needs to pay that will vary or change depending on how much is produced.

How would expenses vary if a pizzeria had to make one pizza versus 1,000 pizzas?



LESSON 9: BUSINESS EXPENSES PART I

Step 2: To figure out what expenses your real food business will have, you'll need to think about the 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/planning process below.

It can help to work in chronological order to make sure you don't forget any steps!

A large rectangular area with a dotted border, intended for students to describe their production/planning process.



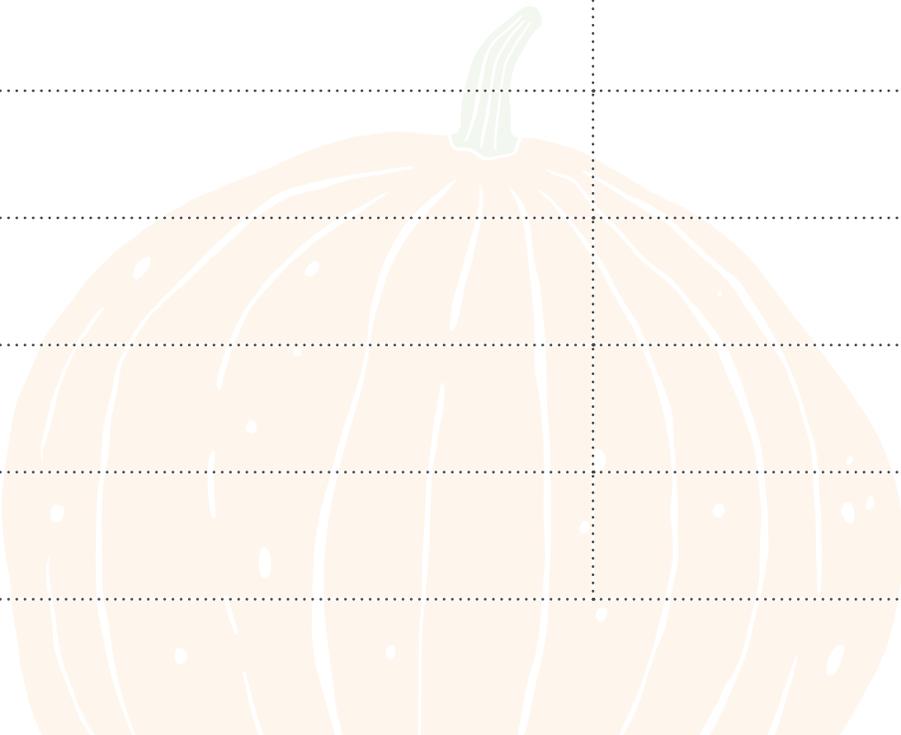
LESSON 9: BUSINESS EXPENSES PART I

Step 3: Your production process will help you uncover what your expenses will be to create and deliver your product or service to your customers.

Create a materials list for your real food business using the process you have agreed on as a class.

Tip: There might be more than one material for one part of the production process. Challenge your brain to think of all possible materials for each step.

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





LESSON 9: BUSINESS EXPENSES PART I

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.

