

Here's how much Aidan spent to start his business:

- 2 Cartons of lemonade mix (each carton makes 32 cups).....\$6.00
- 64 Paper cups.....3.00
- Bag of ice for 64 cups.....1.50
- Paper and markers.....2.00
- Water and a plastic pitcher Free
- Table and chair from Mom..... Free
- Cooler from Dad..... Free
- Total start-up cost.....\$12.50**

"If I charge 20 cents a cup and sell 64 cups of lemonade, I'll have a total revenue of \$12.80, but that's only 30 cents more than my expenses. It's not worth all my work to profit just 30 cents," Aiden thinks. "If I want to earn a bigger profit, I'll have to charge more for each cup." He decided to make a chart to see what his profit would be at different prices.

Directions: Complete the chart below to figure Aidan's total revenue and his profit.

A	B	C	D
No. of cups sold	Price per cup	Total Revenue (A x B)	Profit (C – start-up cost)
64	\$0.20	$64 \times .20 = \$12.80$	$\$12.80 - 12.50 = \0.30
64	\$0.25	$64 \times .25 = \$16.00$	$\$16.00 - 12.50 = \3.50
64	\$0.30		
64	\$0.35		
64	\$0.40		

- If you were advising Aidan, what price would you suggest? Explain why. _____
- What might happen to Aidan's business if the weather is cool and rainy? _____
- What could Aidan do to encourage people to buy lemonade even on a rainy day? _____
- The skateboard Aidan wants to buy is on sale for \$40. If he charges 30 cents a cup, how many batches of lemonade (at 64 cups each) will he have to sell to buy the skateboard? _____

1. Answers will vary.
2. Fewer sales.
3. Lower the price per cup.
4. 6

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No. of cups sold	Price per cup	Total Revenue (A x B)	Profit (C – start-up cost)
64	\$0.20	$64 \times .20 = \$12.80$	$\$12.80 - 12.50 = \0.30
64	\$0.25	$64 \times .25 = \$16.00$	$\$16.00 - 12.50 = \3.50
64	\$0.30	$\$19.20$	$\$6.70$
64	\$0.35	$\$22.40$	$\$9.90$
64	\$0.40	$\$25.60$	$\$13.10$

Answers:

About JA Worldwide® (Junior Achievement)

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Junior Achievement gratefully acknowledges The Allstate Foundation for its dedication to the development and implementation of Junior Achievement \$ave, USA.

