

L5 – Selection of Scenarios

Choose from the following budgeting scenarios. Remember to:

- Create a draft in your maths book
- Ask the teacher for feedback before you begin your good copy
- Have a careful look at the marking rubric to ensure all elements of the financial plan are incorporated

Scenario 1 – RC Car Racing

1. Edward is starting a Remote Control Car Track in his backyard.
 - a. Edward will need to set up
 - 20 old Car Tyres at \$3.00 each
 - 5 Wooden Sleepers to make ramps \$6.50 each
 - 1 “Start” sign \$13.00
 - 1 “Stop” sign \$13.00
 - Insurance: \$25 per month
 - b. Edward hopes to hire out the track on Wednesday nights, Friday nights and Saturday afternoons. Calculate how many customers he will need to make this a profitable business.
 - c. Maybe Edward can do some advertising to promote his business.
 - d. Draw up a six-month budget to help Edward see if this is a worthwhile project.
 - e. Consider other costs that Edward may encounter

Scenario 2 – Mrs Pim’s Cupcakes

2. Mrs Pim sets up a cupcake stall at the local market every Saturday
 - a. Draw up a monthly budget for each month from January through to July using the following information:
 - b. Mrs Pim will have setup costs. What are they? Include these in the January budget
 - Cupcakes (selling at \$3.50 each)
 - Water (selling at \$1.50 per bottle)
 - Tablecloth \$3.40
 - Posters \$2.80 each
 - Cupcake baking trays \$3.40 each
 - Box / Slab of water \$11.50
 - a. How many cupcakes and drinks will Mrs Pim need to sell across 6 months to cover her costs?
 - b. How could Mrs Pim make more profit?

Complete a Monthly Financial Plan for one of the given scenarios.