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.*