



Instructions: Work out the money maths and use the answer bank to check. Read the Did you know? box. Number the 4 steps in order, tick True or False, match each word to its meaning, then write short answers.

1. Money maths

Answer bank: (£10) (£23) (£6) (£4)

Question	Answer
£40 – £17 =	
Cost €2, double it =	
£5 + 20% VAT =	
10 cups × £1 =	

About this topic

Revenue (or sales) is all the money a business takes in. Costs are what it spends. Profit is what is left: Profit = Revenue – Costs. If costs are bigger than revenue, the business makes a loss.

Did you know?

- Ingredients are often a small part of a café price.
- A loss means costs were higher than sales.
- VAT collected belongs to the government, not the business.



Tayo works out the price of lemonade

2. Put the steps in order

Write 1 to 4 in the boxes (1 = first).

- ☐ Value: Think what customers will pay
- ☐ Review: Count profit and adjust
- ☐ Cost: Work out the cost per item
- ☐ VAT: If registered, add VAT

3. True or false?

Profit = revenue – costs.	☐ True	☐ False
Stall rent is a variable cost.	☐ True	☐ False
A loss means you made extra money.	☐ True	☐ False
Registered businesses add VAT to prices.	☐ True	☐ False

4. Match up

Write the letter of the right meaning in the box.

Revenue	A. When costs are more than revenue.
Profit	B. All the money taken from sales.
Loss	C. The amount added to cost to set a price.
Markup	D. Revenue minus costs, when positive.

5. Short answers

- What is revenue?

- Name one fixed and one variable cost for a stall.

- Why must a price cover costs?

- Explain in your own words: How do you work out profit?

- Stretch: What is the difference between fixed and variable costs for a business?

