**Calculating Profit/Loss**

**Profit** occurs when revenue is more than costs. A loss occurs when revenue is lower than your costs.

**Profit/Loss = revenue – costs**

1. Narinder owns a fancy dress shop and sells and hires out her costumes. Which **one** of the following figures must she subtract from her revenue to calculate her profit or loss?

Put a cross (X) next to the correct item(s).

|  |  |
| --- | --- |
| Fixed costs |  |
| Expenditure |  |
| Variable costs |  |
| Income |  |

1. Narinder opened her shop two years ago.
   * 1. In her first year, her revenue was £25,000 and her expenditure was £28,000. Calculate the profit or loss she made.

* + 1. This year, her revenue was £35,000 and her expenditure was £20,000. Calculate her profit or loss.

1. Narinder wants to increase her profits next year.

Put a cross (X) next to the **three** actions which are most likely to help her succeed. These actions should increase her revenue, rather than her expenditure.

|  |  |
| --- | --- |
| Advertising in newspapers and magazines |  |
| Employing more staff |  |
| Increasing her stock of outfits |  |
| Changing to a cheaper electricity supplier |  |
| Opening another shop |  |
| Finding cheaper suppliers |  |
| Selling online as well as in the shop |  |