**Calculating Revenue**

**Revenue** is the income earned by a business over a period of time, e.g. one month.

**Revenue = units sold X selling price**

1. A business sells 1000 small boxes of chocolates at £4.00 each, what will the revenue be?
2. Which of the following is a source of revenue for a hairdressing business?
   1. Advertising
   2. Selling shampoo & conditioning products
   3. Staff wages
   4. Electricity bill
3. Where do each of these businesses get their income from?

|  |  |
| --- | --- |
| Type of Business | Sources of Revenue |
| Magazine |  |
| Football Club |  |
| Market Trader selling fruit and vegetables |  |

1. In one month Jane sold 950 pots of home-made honey at £4 each. What was her total revenue?
2. A computer shop sold 210 computers and 300 tablets. Each computer was £350 and each tablet was £300. What was the total revenue for that month?
3. What is the total revenue of 500 buckets sold at £5 each?
4. A sandwich shop sells the following items in a particular day:
   1. 100 sandwiches at £1.75 each
   2. 85 cans of drink at 60p each
   3. 45 pies at £1.10 each

Calculate the income (revenue) for each item separately and then add them to get the total for the three items combined.

1. A popular magazine has several sources of revenue and various items of expenditure. In the table below, put a cross (X) in the correct column to show whether each item is revenue or expenditure.

|  |  |  |
| --- | --- | --- |
|  | Revenue | Expenditure |
| Sales in newsagents and other outlets |  |  |
| Annual subscriptions by readers |  |  |
| Paper and printing |  |  |
| Advertisements for beauty products and clothes |  |  |
| Staff wages |  |  |
| Distribution to sales outlets |  |  |

1. Complete the formula for calculating revenue. Select from the options below:

Revenue = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ × \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Expenditure |  | Number of sales |  | Total costs |  | Price per unit |

1. Sam and Kathy are converting their farm into a petting farm and adventure playground for children. They will charge an entrance fee to visitors.

Explain **two** other ways in which they could obtain revenue from visitors.