

Sources of revenue

Guided

- 1 Simon has a cycle shop. He sells bikes and also carries out repairs. The shop is on a corner so it has a large side wall which people can see as they walk by. He rents this out for advertising space to local companies. He has a spare room upstairs which he rents out to a small printing business. He also puts any surplus cash into a savings account each week.

Identify **four** sources of income for Simon's business. **(4 marks)**

1 Sales revenue from selling bikes

Remember that revenue and income mean the same thing.

- 2
- 3
- 4

- 2 Energy Fitness is a fitness centre in a small town. Its main income comes from subscription fees from members. The manager, Dave, is looking at other ways to make money for the centre.

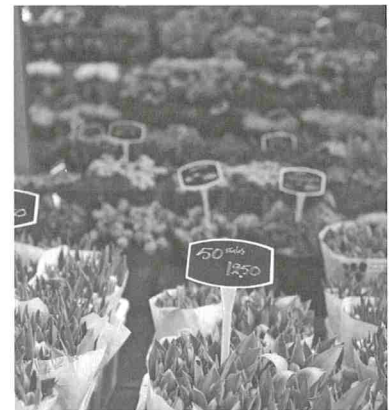
Suggest **two** other possible sources of income from customers. **(2 marks)**

- 1
- 2

- 3 Gareth's main source of income at the garden centre is from selling plants. He is now listing his other sources of income.

Which **two** of the following items should be on his list? Put a cross in the box next to the two correct items. **(2 marks)**

- A Taking on casual staff
- B Selling wild bird food
- C Giving staff discounts
- D Offering plant food and weedkiller for sale
- E Buying plants to sell



Calculating revenue

1 Give the formula for calculating revenue by choosing the correct words and inserting them in the right place. **(1 mark)**

Fixed costs	Price per unit	Start-up costs
Variable costs	Number of sales	Total costs

Remember you will be calculating money received with this formula.

Revenue = ×

2 In a month, a business making computer desks sells 300 desks. The price of each desk is £30.

(a) What is their total revenue per month? **(1 mark)**

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(b) If they sell the same number every month, what is their total annual revenue? **(1 mark)**

.....
.....

Even if you can do these calculations in your head, use a calculator to check you are correct.

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3 Max has a van and sells ice lollies and candy floss at fairgrounds. The ice lollies sell for £1.00 and sticks of candy floss for £1.50. Yesterday Max sold 200 ice lollies and 300 bags of candy floss.

What is his total revenue? **(2 marks)**

200 × £1.00 =

..... × £..... =

Total revenue = £..... + £..... = £.....

Always look for the key term in a question. Here it is **total revenue**.