

Morning Cereal Sale

Business Finance Worksheet

ONE UNIT = 1 bowl of cereal

Listed below are the ingredients and supplies needed to produce one bowl of cereal. Calculate the cost per serving, cost of goods sold (COGS), and the cost per unit for one bowl of cereal.

INGREDIENTS AND SUPPLIES:

	COST	UNIT	SERVICES/UNIT	COST/UNIT (A)
Cereal	\$	per box		\$
Milk	\$	per jug		\$
Alternate milk	\$	per cont.		\$
Fruit topping	\$	per cont.		\$
Bowl	\$	per package		\$
Spoon	\$	per package		\$
Napkin	\$	per package		\$
	\$			\$

MY Cereal bowl

	NO. OF SERVINGS (B)	UNIT COST (A X B)
Cereal		\$
Milk		\$
**Alternate milk		\$
Fruit topping		\$
Bowl		\$
Spoon		\$
Napkin		\$
		\$
Total Cost of Goods Solds (COGS per unit) (C)		\$

CALCULATING LABOR COSTS:

Labor Cost = hourly rate*/minutes per hour (D) * How much are you willing to pay a person per hour? Minimum wage?	\$
How many minutes does it take to make one unit? (E)	
Labor Cost per Unit = D x E (F)	\$

PROFIT PER UNIT:

Selling price per Unit	\$
Minus Cost of Goods Sold (COGS per unit) (C)	\$
Minus Labor Cost per Unit (F)	\$
Gross Profit	\$

CALCULATING LABOR COSTS:

How long does a selling period last?	
How many minutes does it take to make one unit?	
How many units can you make in one selling period?	
Total number of units you can produce	
Gross Profit per Unit	\$
Net Profit	\$

Note: A few items/costs were incurred in order to produce one unit. These include food handling gloves, cleaning supplies and what else? The cost of these tools and supplies would be start-up costs and operating costs. Start-up and operating costs are not included in COGS.