

Names of group members

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Name of Company

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You will be making and selling gift baskets. Your team's task is to build the economics of one unit of a sample gift basket that will include the name for the basket, the cost to produce the basket (labor and materials), the selling price per basket, the contribution margin per basket, your target consumer (age, gender, income level, ect.).

Basket Name \_\_\_\_\_

Target Customer \_\_\_\_\_

Cost of items:

Basket	\$3.00
Stuffed animal	\$2.00
Lotion	2.00
Soap	1.50
Candle	1.00
Candy	3.00
Bath fizzes	1.25
Lollipop card	.33
Shredded paper	1.00 (1 pack with 50 pages)
Plastic wrapping	3.15 (100 foot roll – you need 3 feet per basket)
Ribbon	1.00 (50 feet – you need 2 feet per basket)

In the interest of selling higher volume, you decide to offer to pay one additional friend outside your team \$1.00 for each gift basket they sell.

Use the economics of one unit format to present your work to the class.

	Cost	# of units used	Total cost per item
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Basket			
Stuffed animal			
Lotion			
Soap			
Candle			
Candy			
Bath fizzes			
Card			
Plastic Wrapping (roll)			
Ribbon (roll)			
Shredded paper (bulk)			
		Grand Total	

Calculate your COGS per unit by adding together your materials. Decide if there will be any other variable expenses per unit (shipping, commission). Determine a selling price for your gift basket and complete the EOU in the chart below

Economics of One Unit

Selling price per Unit (A)	\$
COGS per unit (B)	\$
Other Variable Expenses per Unit(Commission and Shipping) (C)	\$
Total Variable Expenses (B + C)	\$
Contribution Margin (A - D)	\$