



Cost analysis for pizza business

Variable costs:

Calculate how many pizzas per 5 pounds flour: _____ (3 cups per shell)

Cost of 5 pounds flour \$2.00

Cost per pizza $\$2.00 / \underline{\hspace{1cm}} = \underline{\hspace{1cm}}$

Calculate how many pizzas per 16 ounce package of mozzarella: _____ (8 ounce per shell)

Package of cheese cost \$3.50

Cost per pizza $\$3.50 / \underline{\hspace{1cm}} = \underline{\hspace{1cm}}$

Calculate how many pizzas per 8 ounce package of pepperoni: _____ (40 pieces per shell)

Package of pepperoni cost \$3.00 (has 120 slices in package)

Cost per pizza $\$3.00 / \underline{\hspace{1cm}} = \underline{\hspace{1cm}}$

Calculate how many pizzas per 16 ounce can of sauce: _____ (2 per can)

Can of sauce cost \$3.00 (2 per can)

Cost per pizza $\$3.00 / \underline{\hspace{1cm}} = \underline{\hspace{1cm}}$

Dry ingredients cost (salt, sugar & yeast) per pizza shell \$0.50

Summary of costs per pizza:

Flour _____

Cheese _____

Pepperoni _____

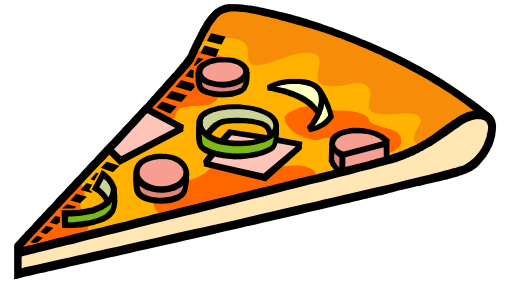
Sauce _____

Dry costs 0.50

Total
Variable Costs _____

(Also figure cost of plain cheese pizza _____)

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Fixed costs:

Rent \$1000/month

Energy for oven \$4/day * 24 days = \$96/month

1 employee at \$7/hour * 8 hours * 24 days = \$1344/month

Calculate employee payroll taxes at 6.45%: $\$1344 * .0645 =$ _____

Total

Fixed Costs(round up to nearest dollar) = $1000+96+1344+$ taxes = _____

Total all costs = fixed + variable = _____

How much do you want to charge for each pizza type?

Pepperoni _____

Plain _____

Calculate revenue on each pizza:

Pepperoni (price – cost) _____ - _____ = _____

Plain (price – cost) _____ - _____ = _____

How many pizzas do you need to sell to make a profit for your pizza business?

Profit = Revenue per pizza * # pizzas - Total costs = _____ - _____ = _____

How will you promote your business?

Ideas:

- make an advertisement flyer that can be put into a newspaper
- make up a pizza jingle song