Name: _____ Date: _____

The Pretzel Cart Break-Even Day

Circle group

Rosa rents a pretzel cart every Saturday at the farmers market. The rent is 60 dollars. Each pretzel costs her 1 dollar to make. She sells it for 3 dollars. So each sale leaves her 2 dollars after the ingredients.

The rent is a fixed cost. She owes 60 dollars if she sells none or sells a hundred. The ingredients are a variable cost. They grow with each pretzel she makes. Owners keep the two apart because they act in different ways.

Rosa wants her break-even point. This is the number of sales where she has paid back all her costs. She has not lost money or made money. She divides 60 by 2 and gets 30. If she sells 30 pretzels, she breaks even.

What if she sells 20? She gets 60 dollars. She spends 20 on ingredients. She still owes 60 in rent. She loses 20 dollars. What if she sells 50? She gets 150 dollars. She spends 50 on ingredients and 60 on rent. She keeps 40 dollars as profit. Each pretzel after the thirtieth adds 2 dollars of profit.

Questions

1. How much is the rent for the cart?

_____

_____

2. How much does each pretzel leave her after ingredients?

_____

_____

3. Why is the rent called a fixed cost?

_____

_____

4. How does Rosa find her break-even point?

_____

_____

5. What happens if Rosa sells only 20 pretzels?

_____

_____

6. Why does each pretzel after the thirtieth add profit?

_____

_____

Words to know

fixed: staying the same and not changing
variable: able to change, such as a cost that grows with sales
ingredients: the foods that are mixed together to make a recipe
profit: the money left over after all costs are paid
break-even: the point where money earned equals money spent

Talk together (every group has these)

1. Find one fact that every group read. How did your sheet say it?
2. What did your sheet tell you that you think another group's did not? Ask them.
3. What is one question about this topic that none of the sheets answered?

Name: _____ Date: _____

The Pretzel Cart Break-Even Day

Triangle group

Rosa rents a pretzel cart every Saturday at the farmers market. The rent is 60 dollars. Each pretzel costs her 1 dollar to make, and she sells it for 3 dollars. That means every sale leaves her 2 dollars after she pays for the ingredients.

The rent is a fixed cost, because she owes the same 60 dollars whether she sells nothing or sells a hundred pretzels. The ingredients are a variable cost, because they rise with every pretzel she makes. Business owners keep the two kinds apart because they behave differently.

Rosa wants to know her break-even point, the number of sales where she has earned back all of her costs and has neither lost money nor made any. To find it, she divides the fixed cost by the 2 dollars each pretzel leaves her. Sixty divided by 2 is 30. If she sells exactly 30 pretzels, she breaks even.

What happens if she sells fewer? With 20 pretzels, she brings in 60 dollars, spends 20 on ingredients, and still owes 60 in rent, so she loses 20 dollars. What if she sells more? With 50 pretzels, she brings in 150 dollars, spends 50 on ingredients, and pays 60 in rent, so she keeps a profit of 40 dollars. Every pretzel after the thirtieth adds 2 dollars to her profit.

Questions

1. How much does Rosa pay in rent for the cart?

_____

_____

2. How much does each pretzel leave her after the ingredients?

_____

_____

3. Why is the rent called a fixed cost?

_____

_____

4. How does Rosa find her break-even point?

_____

_____

5. What happens if Rosa sells only 20 pretzels?

_____

_____

6. Why does each pretzel after the thirtieth add profit?

_____

_____

Words to know

fixed: staying the same and not changing
variable: able to change, such as a cost that grows with sales
ingredients: the foods that are mixed together to make a recipe
profit: the money left over after all costs are paid
break-even: the point where money earned equals money spent

Talk together (every group has these)

1. Find one fact that every group read. How did your sheet say it?
2. What did your sheet tell you that you think another group's did not? Ask them.
3. What is one question about this topic that none of the sheets answered?

Name: _____ Date: _____

The Pretzel Cart Break-Even Day

Square group

Rosa rents a pretzel cart every Saturday at the farmers market, and the rent comes to 60 dollars. Each pretzel costs her 1 dollar to prepare, and she sells it for 3 dollars. In other words, every sale leaves her with 2 dollars once the ingredients have been paid for.

The rent is a fixed cost, because she owes the same 60 dollars whether she sells nothing at all or sells a hundred pretzels. The ingredients, on the other hand, are a variable cost, since they increase with every pretzel she makes. Business owners keep the two kinds of cost separate because they behave so differently from one another.

Rosa would like to know her break-even point, which is the number of sales at which she has recovered all of her costs and has neither lost money nor gained any. To calculate it, she divides the fixed cost by the 2 dollars that each pretzel leaves her. Sixty divided by 2 equals 30, so if she sells exactly 30 pretzels, she breaks even.

Consider what happens if she sells fewer. With 20 pretzels, she takes in 60 dollars, spends 20 on ingredients, and still owes 60 in rent, which means she loses 20 dollars. Consider also what happens if she sells more. With 50 pretzels, she takes in 150 dollars, spends 50 on ingredients, and pays 60 in rent, leaving her with a profit of 40 dollars. Every pretzel beyond the thirtieth adds another 2 dollars to her profit.

Questions

1. How much does Rosa pay each week to rent the cart?

_____

_____

2. How much does each pretzel leave her once the ingredients are paid for?

_____

_____

3. Why is the rent considered a fixed cost?

_____

_____

4. How does Rosa calculate her break-even point?

_____

_____

5. What would happen if Rosa sold only 20 pretzels?

_____

_____

6. Why does every pretzel beyond the thirtieth add to her profit?

_____

_____

Words to know

fixed: staying the same and not changing
variable: able to change, such as a cost that grows with sales
ingredients: the foods that are mixed together to make a recipe
profit: the money left over after all costs are paid
break-even: the point where money earned equals money spent

Talk together (every group has these)

1. Find one fact that every group read. How did your sheet say it?
2. What did your sheet tell you that you think another group's did not? Ask them.
3. What is one question about this topic that none of the sheets answered?

For the teacher: The Pretzel Cart Break-Even Day

Each student sheet carries a shape, not a level. The same topic and facts, written three ways.

Circle: The Pretzel Cart Break-Even Day

Easier · 164 words · Flesch-Kincaid grade 2.7

1. 60 dollars.
2. 2 dollars.
3. She owes the same amount no matter how many pretzels she sells.
4. She divides 60 dollars by 2 dollars to get 30.
5. She loses 20 dollars.
6. The rent is already paid, so she keeps the extra 2 dollars.

Triangle: The Pretzel Cart Break-Even Day

This passage · 202 words · Flesch-Kincaid grade 5.8

1. 60 dollars.
2. 2 dollars.
3. She owes the same amount no matter how many pretzels she sells.
4. She divides the 60 dollar fixed cost by 2 dollars per pretzel to get 30.
5. She loses 20 dollars.
6. The rent is already paid, so the extra 2 dollars from each one is kept.

Square: The Pretzel Cart Break-Even Day

Harder · 230 words · Flesch-Kincaid grade 7.7

1. 60 dollars.
2. 2 dollars.
3. She owes the same amount no matter how many pretzels she sells.
4. She divides the 60 dollar fixed cost by 2 dollars per pretzel to get 30.
5. She would lose 20 dollars.
6. The rent has already been covered, so she keeps the extra 2 dollars from each one.