

# Santa's finances

Santa does not deal in normal money. Instead, his customers leave mince pies, sherry and carrots for him as he completes his Christmas Eve distribution round. The carrots go to the reindeer, he gets to drink the sherry, and then he sells the mince pies at the local market for 50p each.

Total demand: 10,000,000 presents

Price per present: 1 mince pie (at least)

Costs:

Raw materials - 20p per present

Wrapping paper - 5p per present

Sellotape - 2p per present

Gift tag - 3p per present

Distribution costs - £1,000,000

Elf salaries - £30,000

## Things to think about:

- Break even point?
- Profit and loss account?
- Should Santa alter his prices?
- How can he cut costs?
- Use of retained profit?