

EcoRevive Financial Assignment

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Course: Tech Management & Entrepreneurship

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1. Offering Definition

EcoRevive offers durable, reusable shopping bags made from recycled plastic waste using a plastic threading technique. These bags provide a sustainable, affordable alternative to single-use plastic bags, targeting environmentally conscious consumers and small retailers in urban Pakistan.

2. Unit Costing & Contribution Margin

Expense Category	Cost per Bag (PKR)
Raw Plastic Waste (1.2kg/bag)	30
Cleaning & Processing	10
Threading & Weaving	20
Stitching & Labor	25
Packaging	5
Utilities (Electricity, Water)	5
Marketing & Distribution	10
Total Cost per Unit	105
Selling Price per Unit	180
Contribution Margin	75 (41.67%)

3. Projected Monthly Income Statement (Month 01)

Item	PKR
Revenue (1,000 x 180)	180,000
Cost of Goods Sold (1,000 x 105)	105,000
Gross Profit	75,000
Rent	15,000
Salaries (3 staff)	45,000
Marketing	10,000
Misc. Overheads	5,000
Total Fixed Costs	75,000
Net Profit (Loss)	0

4. Projected Annual Statement (Year 01)

Assuming gradual growth to 1,500 units/month by December.

Item	PKR
Total Units Sold (avg 1,250/month)	15,000
Revenue	2,700,000
COGS	1,575,000
Gross Profit	1,125,000
Fixed Expenses	900,000
Net Profit (Year 1)	225,000

5. Projected Annual Statement for 3 Years

Year	Units Sold	Revenue	COGS	Gross Profit	Fixed Costs	Net Profit
Year 1	15,000	2,700,000	1,575,000	1,125,000	900,000	225,000
Year 2	25,000	4,500,000	2,625,000	1,875,000	1,050,000	825,000
Year 3	35,000	6,300,000	3,675,000	2,625,000	1,200,000	1,425,000

6. Breakeven Point

Fixed Monthly Costs: PKR 75,000

Contribution Margin per Unit: PKR 75

Breakeven Units (Monthly) = $75,000 / 75 = 1,000$ units

EcoRevive breaks even when selling 1,000 bags per month.

7. Profit/Loss Status in 3 Years

- Year 1: Modest profit (PKR 225,000)
- Year 2: Steady growth and scaling operations (PKR 825,000)
- Year 3: Strong profitability achieved (PKR 1,425,000)