**Task 1**

**Answers to Questions**

1. **What is the profit in each of the three scenarios?**
   * Best Case: **$100,000**
   * Most Likely Case: **$10,000**
   * Worst Case: **-$50,000 (Loss)**
2. **Which scenario results in a loss, and why?**
   * The **Worst Case** results in a **loss of $50,000** due to **low sales volume**, **low selling price**, **high variable cost**, and **high fixed cost**. Revenue is not enough to cover costs.
3. **How does changing the selling price affect profit compared to changing the variable cost?**
   * Increasing the **selling price** directly increases revenue and thus profit.
   * Reducing the **variable cost** also improves profit but to a lesser extent.
   * Overall, **price and volume changes** have a more significant effect on profit than small changes in cost.
4. **If the company wants to avoid a loss in the worst-case scenario, what variable would you recommend adjusting?**
   * **Increase Units Sold** or **Increase Selling Price**
   * Alternatively, **reduce Fixed Costs** through cost-saving measures.
5. **What are the business insights you can draw from the Scenario Summary Report?**
   * Profitability is highly sensitive to **sales volume** and **pricing strategy**.
   * The business has a narrow margin in the Most Likely Case, so small setbacks could lead to losses.
   * Strategic focus should be on **improving operational efficiency** and **boosting sales** to stay profitable under adverse conditions.
6. **How could this analysis support strategic planning and risk management at GreenBrew Ltd?**
   * It helps identify **financial risks** under different conditions.
   * Supports decision-making for **pricing, cost control**, and **marketing investment**.
   * Enables the company to plan **contingency strategies** for worst-case scenarios.