**AREC 213: In Class Activity 7**

**You are going to be creating a simple income statement for a nursery that also has a small coffee shop.**

Costs for June

* Rent: $3,200
* Nursery Vehicle: $400

Products Sold

* Coffee: 800 at $4.5
* Potted Plants: 1000 at $15
* Small Trees: 240 at $50

Labor

* Manager $3200
* Coffee Shop Employee 80 hours at $10 an hour

Supply costs

* Coffee: $2
* Potted Plants: $8
* Small Trees: $20

**Use Excel to**

1. **Calculate your Total Revenue**
2. **Calculate your Fixed Costs**
3. **Calculate your Variable Costs**
4. **Calculate your Net Income (before taxes)**
5. **What is the contribution margin for** 
   1. **Coffee**
   2. **Plants**
   3. **Small Trees**
6. **Create an Income Statement from these values**
7. **The owner is thinking of closing the nursery and just selling coffee. Calculate a Break Even Point for just coffee assuming they want to keep a company vehicle.**