

Theme Park

Stage 2

Daily Running Costs



Starter: what do you think these monetary words mean?

You may want to look in a dictionary.

Don't move to the next slide because the answers are there!

No cheating now!

Income –

Costs –

Daily running cost –

Profit –

Break even –

Answers

Income – Total money that you make.

Costs – Things you pay for.

Daily running cost – Things you need to pay for every day to keep the business running.

Profit – The amount of money you make after you have deducted your costs.

Break even – The point where you start making a profit (the income is the same as your costs)

Theme Park - recap

Last week you decided to create your own theme park.



And have decided what features to have in your theme park
and how many of them.

You have drawn a plan/map of your park to include your features.

You have tried not to go over your budget of £1,000,000.

Attraction	Price	Number of squares on the grid	Notes
Major Ride	£60,000	15	The more major rides the more adults will pay to come.
Minor Ride	£25,000	10	The more minor rides the more children will come.
Café	£50,000	8	Popular with adults! The more you have the money you will make.
Shop	£40,000	6	Popular with children! The more you have the more money you will make.
Toilet Block	£15,000	4	The park must have 3 toilet blocks
Carpark	£5,000	1	The park must have at least 10 carpark squares
Paths	£1,000	1	Paths must connect everything together
Lake	£5,000	1	Makes the park more attractive This will appeal to adults and families.
Trees	£4,000	1	
Grass	£1,000	1	

Theme Park

You are now ready for STAGE 2

Calculating your Daily Running Cost



How much will it cost to run your theme park each day?

- Things you need to think about?
 - **Staff costs**
 - **Electricity**
 - **Maintenance and repairs**
- These will be different depending what you have in your park and how many of these items you have.

Why do you need to know how much it costs to run the theme park each day?

Then you know how much you need to charge people to get in!



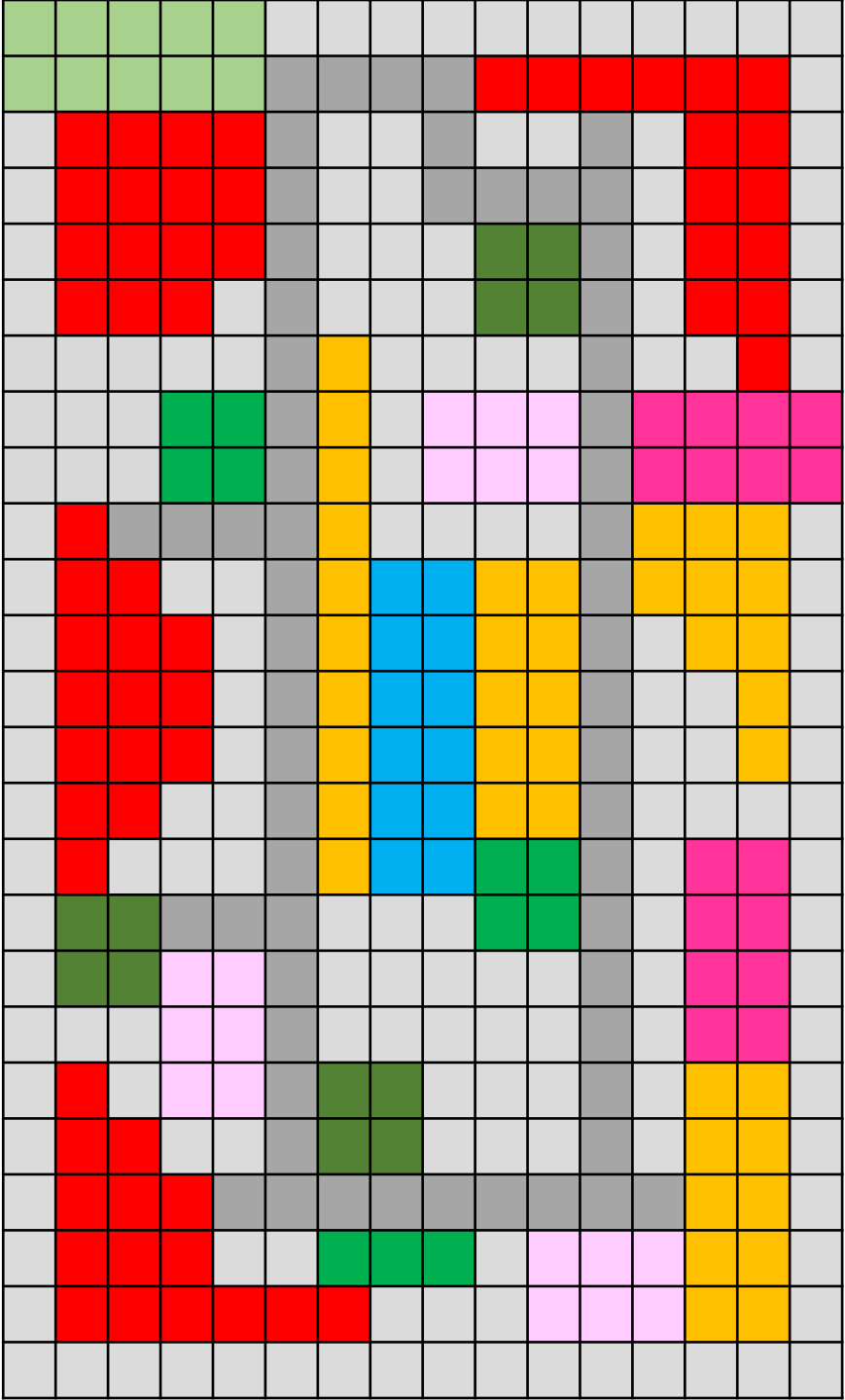
As an example, we are going to calculate the daily running cost of our example (Mr Poole and Miss Holcombe's) Theme Park.



Our example of Stage 1

Item	Number of squares	Cost	How many do I have?	Total cost
Major Ride	15	£ 60,000	4	£ 240,000
Minor Ride	10	£ 25,000	4	£ 100,000
Café	8	£ 50,000	2	£ 100,000
Shop	6	£ 40,000	3	£ 120,000
Toilet Block	4	£ 15,000	3	£ 45,000
Carpark	1	£ 5,000	10	£ 50,000
Paths	1	£ 1,000	60	£ 60,000
Lake	1	£ 5,000	12	£ 60,000
Trees	1	£ 4,000	11	£ 44,000
Grass	1	£ 1,000	161	£ 161,000
	400			£ 980,000

We need to use these numbers to calculate the **Daily Running Cost**



Calculating our Daily Running Cost:

Item	Staff Costs	Electricity/ maintenance/ repairs	How many do I have in the park?	Total cost
Major ride	£200	£250		£
Minor ride	£150	£200		£
Café	£250	£120		£
Shop	£120	£60		£
Toilet	£25	£25		£
Your Daily Running Cost				£

Calculating OUR Daily Running Cost using our example:

Item	Staff Costs	Electricity/ maintenance/ repairs	How many do I have in the park?	Total cost
Major ride	£200	£250	4	£ 1,800
Minor ride	£150	£200	4	£ 1,400
Café	£250	£120	2	£ 740
Shop	£120	£60	3	£ 540
Toilet	£25	£25	3	£ 150
Your Daily Running Cost				£ 4,630



If you have the facility to print, then the following questions are available on a printable version in Google Classroom.

Or, you can record your answers in your Home Learning book.

Or you can type straight into the Word document on Google Classroom for some of the questions.

Your turn. Can you calculate your Daily Running Cost based on the features you have in your park. Draw this table in your book.

Item	Staff Costs	Electricity/ maintenance/ repairs	How many do I have in the park?	Total cost
Major ride	£200	£250		£
Minor ride	£150	£200		£
Café	£250	£120		£
Shop	£120	£60		£
Toilet	£25	£25		£
Your Daily Running Cost				£



Now we know your daily running cost can you solve these problems?

If you charged £10 per person to enter the theme park, what is the least amount of people you would need to visit each day just to 'break even'?

If 500 people came to your theme park on one day, what would the minimum price you would need to charge each visitor for you to 'break even'?

What would your answer be to the nearest pound?

Scenario:

You wanted to charge a special price of just £4 for the opening week to attract as many visitors as possible. Here is the list of the number of visitors who came to your theme park for this special offer opening week.

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
No. of visitors	964	503	387	984	365	689	1108

How much profit will you make in this one week?

Remember: You must subtract your daily running cost for each day.

(You may want to copy the table on the next slide to help you)

Use this table to help...

	No. of visitors	Each Ticket costs	Total income for the day	Subtract 'Your Daily Running Cost'
Sunday	964	£4	£	
Monday	503	£4	£	
Tuesday	387	£4	£	
Wednesday	984	£4	£	
Thursday	365	£4	£	
Friday	689	£4	£	
Saturday	1108	£4	£	
Total Profit =				

Conclusion

Was charging just £4 a good idea? YES/NO

Explain your answer:

STAGE 2 Complete

Well done, you have completed Stage 2!

You must remember your daily running costs
for the next stages too!

