

Fresh Eggs for Sale!

Key financial ideas

- ★ Businesses earn income by selling goods or services, but businesses also have costs.
- ★ Businesses need to cover their costs and make a profit.
- ★ Businesses have risks, which can affect costs, income, and profit.

You need

- ★ a calculator (optional)
- ★ a classmate

Activity

Ethan's story

I'm saving to buy a mountain bike. Six months ago, we bought 10 laying hens. I really like looking after the hens and collecting their eggs. One day, I had a good idea ...

Hey, Mum, I could earn some money for my mountain bike by selling our free-range eggs to neighbours and friends!

Well, that sounds like a good idea, but you need to do some thinking first.

We saved money by using your old playhouse for the hen house, but it still costs money to feed the hens.

- 1 Ethan investigates the costs of keeping hens.

Running costs for 10 hens for the last 6 months:

2 sacks of wheat @ \$20 a sack	=
2 sacks of pellet food @ \$30 a sack	=
2 bags of oyster grit @ \$12 a bag	=
1 bale of straw for nesting boxes @ \$20	=

- What are the total running costs for the 6 months?
- What does that work out at:
 - per month?
 - per week (based on 4 weeks in a month)?

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Ethan's parents agree that Ethan can sell eggs as long as he covers all the costs from now on and continues to look after the hens properly.



As you're going to be in charge, I'll pay you \$3 a dozen for the eggs I use each week for the family.

- a. Ethan's family uses about 12 eggs (a dozen) a week. Ethan expects to have 3 dozen left to sell elsewhere at \$6 a dozen.
 - i. How much might he earn altogether each week?
 - ii. How much would be left after running costs (expenses)?
 - iii. Is it fair that Mum will pay less for her eggs than other customers?
- b. Discuss with a classmate what else Ethan should consider if he goes ahead with his idea. For example:

The hen:

I don't lay as many eggs in winter. It's too cold! But I make up for that in summer.



A regular customer:

We won't need any eggs for the next month because we're going to the Gold Coast for a holiday.



Ethan:

One of Sam's hens got killed by a stoat last week!



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If Ethan does sell 4 dozen eggs a week, how much money could he earn towards his mountain bike over the next 6 months (24 weeks)? Explain your answer. (Remember to deduct his costs! Include \$8 a month towards replacing hens that die or get too old.)

Reflective question

★ If you have a talent, hobby, or interest that you could use to earn money from, would you want to do so? Why or why not? What costs and risks might be involved?