

# Success Is in the Cards - AnnaMade Design Co. | Worksheet

Marketing, Pricing, and Profit Maximization

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### Venture Vocab

Match the definition in Column A with the term in Column B.

Column A

- \_\_\_\_\_ A basic version of a product that can be sold.
- \_\_\_\_\_ Identifying target customers and getting attention.
- \_\_\_\_\_ Gain made after all expenses are subtracted.
- \_\_\_\_\_ Achieving the highest possible profit.
- \_\_\_\_\_ Time, money, and materials required to make a product.

Column B

- a. Marginal Cost
- b. Minimum Viable Product
- c. Profit
- d. Marketing
- e. Profit Maximization

### Startup Scenario

Imagine you've been making custom patches for hats and backpacks that your classmates want to buy. There's steady demand, and right now, you're making ten patches a week and selling them for \$6.00 each . . . but you think you could do better than that. You made 50 patches from your last supply order, which cost you \$250, netting a profit of \$50. You believe you can increase your profit by changing your selling cost and quantity sold.

Considering these facts, complete the table below to calculate your total revenue and profit. Consider all of your options, and determine your next course of action by circling the selling cost and quantity sold that will maximize your profit.

To determine the Total Revenue, multiply the Selling Cost by the Quantity Sold. To determine your Profit, subtract the Total Expense from the Total Revenue.

Total Expense	Selling Cost	Quantity Sold	Marginal Cost per Patch	Total Revenue	Profit
\$250	\$6	50	\$5	\$300	\$50
\$450	\$5.5	100	\$4.5		
\$600	\$5	150	\$4		
\$800	\$4.5	200	\$4		

### Future CEO's Insight



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## Answer Key

### Venture Vocab

Match the definition in Column A with the term in Column B.

#### Column A

- b. A basic version of a product that can be sold.
- d. Identifying target customers and getting attention.
- c. Gain made after all expenses are subtracted.
- e. Achieving the highest possible profit.
- a. Time, money, and materials required to make a product.

#### Column B

- a. Marginal Cost
- b. Minimum Viable Product
- c. Profit
- d. Marketing
- e. Profit Maximization

### Startup Scenario

Total Expense	Selling Point	Quantity Sold	Marginal Cost per Patch	Total Revenue	Profit
\$250	\$6	50	\$5	\$300	\$50
\$450	\$5.50	100	\$4.5	\$550	\$100
<b>\$600</b>	<b>\$5</b>	<b>150</b>	<b>\$4</b>	<b>\$750</b>	<b>\$150</b>
\$800	\$4.50	200	\$4	\$900	\$100

### Future CEO's Insight

Responses may vary but should include some or all of these ideas.

Reflecting on Anna Made Design Co.'s journey, converting a minimum viable product into a profitable venture involves market research, effective online marketing, and precise pricing. Anna's story exemplifies this path: she started with basic, appealing handmade cards, utilized research to align her products with market demands, and applied strategic online marketing to expand her customer base. Crucially, she established prices that covered costs while ensuring profit, showcasing the essential blend of creativity, market understanding, and financial insight needed for entrepreneurial success.