

Venture Vocab

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

Column A

- _____ Income remaining after deducting expenses.
- _____ Total income from sales before expenses.
- _____ Public perception of a person or business.
- _____ Costs incurred in business operations.
- _____ Initial funds to start a business.

Column B

- a. Start-up Capital
- b. Expense
- c. Net Revenue
- d. Gross Revenue
- e. Reputation

Startup Scenario

Imagine you have a passion for vintage comic books. Inspired by Garrett's story of starting Denver Sneakers LLC, you decide to start your own small business, "Retro Comics Hub," where you plan to buy, refurbish, and resell vintage comic books. As the owner of "Retro Comics Hub," your goal is to calculate the gross revenue for your new business venture. Here's the scenario:

- **Initial Investment:** You start with \$500 in start-up capital.
- **Buying Inventory:** You use part of your capital to purchase a batch of vintage comics. You buy 50 comic books at \$5 each, totaling \$250.
- **Refurbishing Costs:** Some comics need refurbishing. You spend \$50 on materials for refurbishing.
- **Selling Price:** After assessing the market value, you decide to sell each comic book for an average price of \$15.

Calculate the net revenue you would earn if you sold all the comic books at your set price. Consider how this revenue will help you sustain and grow your business. How would you change your next steps if you only sell 45 comic books? 35? 25?

Entrepreneurial Insight

Reflect on the story of Garrett and his journey with Denver Sneakers LLC. In a detailed paragraph, explain the importance of reputation in business, as demonstrated by Garrett's experience. Discuss the strategies Garrett used to establish and maintain a strong reputation for Denver Sneakers LLC. Consider how these strategies helped him overcome challenges and contributed to the success of his business. Use specific examples from the script to support your analysis.



Answer Key

Venture Vocab

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- d. Total income from sales before expenses.
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Column B

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Startup Scenario

If all 50 comic books are sold:

- Revenue: $50 \times \$15 = \750
- Net Revenue: $\$750 - \250 (cost of comics) $- \$50$ (refurbishing) $= \$450$

If only 45 comic books are sold:

- Revenue: $45 \times \$15 = \675
- Net Revenue: $\$675 - \$250 - \$50 = \375

If only 35 comic books are sold:

- Revenue: $35 \times \$15 = \525
- Net Revenue: $\$525 - \$250 - \$50 = \225

If only 25 comic books are sold:

- Revenue: $25 \times \$15 = \375
- Net Revenue: $\$375 - \$250 - \$50 = \75

These calculations show how the number of comics sold directly impacts net revenue. Selling all 50 provides the highest net revenue of \$450, while selling fewer decreases the net revenue. This understanding is crucial for making informed decisions about inventory, pricing, and marketing strategies to maximize sales and revenue for your business.

Entrepreneurial Insight

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

Garrett's experience with Denver Sneakers LLC highlights the crucial role of reputation in business. Overcoming skepticism due to his youth, he focused on becoming a sneaker expert and maintaining honest business practices, gradually establishing his credibility in the competitive market. His strategy also included refurbishing sneakers before resale, showcasing his commitment to quality, and understanding customer expectations. Additionally, Garrett's careful financial management, ensuring expenses never exceeded gross revenue, underscored his insight as a savvy entrepreneur.