Profit Cuts Both Ways

A bonus question that builds on SS5E3, for students who finish early or want an extra challenge.

Name: _____ Date: _____

Read the scenario, then answer the questions below.

Jayden runs a lemonade stand and wants to earn more profit. To cut costs, Jayden starts using a cheap sugar substitute instead of real sugar, but never tells customers the recipe changed. The lemonade tastes worse, but Jayden keeps more money from every cup sold.

1. Answer these

a) What is Jayden trying to do, and how does the sugar substitute help with that goal?

b) Name one way Jayden's choice could end up hurting the business itself, even though it raised profit on each cup sold.

c) Name one way this choice could hurt Jayden's customers, not just the business.

d) Rewrite Jayden's plan so the lemonade stand can still cut costs and raise profit, but without keeping the recipe change a secret from customers.

THINK ABOUT IT

Wanting to earn a profit is not a bad thing, it is why entrepreneurs take the risk of starting a business at all. But chasing profit by hiding something from customers is a different choice than chasing it by making a better product.