

Exploring the World of Math

Name: _____ Date: _____

Purchasing Power Example

This cost sheet uses the unit factor method to compute the total cost and the selling price to make mashed potatoes and gravy. We can make our own side for \$0.14 per serving.

Food Cost Form				Date: <u>November 4, 2012</u>				
Menu Item:		<u>Mashed Potatoes and Gravy</u>			Size:		<u>1/2 cup serving w/ 2 T gravy</u>	
Number of Portions		<u>68</u>						
Cost per Portion:		<u>\$ 0.14</u>			Selling Price		<u>\$ 0.99</u> Food Cost% <u>14%</u>	
Ingredients	Recipe Quantity			Cost			Total Cost	Density
	Weight	Volume	Count	APC / Unit	Yield %	EPC / Unit		
Potatoes , bulk	20 lb			\$ 0.18 b	85	\$ 0.21 b	\$ 4.24	8.00 cup
Butter	1 lb			\$ 1.99 b	100	\$ 1.99 b	\$ 1.99	8.00 cup
Milk		1 qt		\$ 2.50 gal	100	\$ 2.50 gal	\$ 0.63	8.50 cup
Gravy		0.5 gal		\$ 0.04 fl oz	100	\$ 0.04 fl oz	\$ 2.56	4.00 cup
Total Cost							\$ 9.41	

Next, we will estimate the time by recording the procedure which is to peel and dice 20 pounds of potatoes, cook them and mash them.

- Peel and dice – 30 minutes
- Cook – 5 minutes labor
- Mash – 15 minutes

 Total – 50 minutes x \$0.20 / min (\$12.00 per hour) = \$10.00 Labor

When we purchase the mashed potatoes from a restaurant, they clear around \$0.70 on the dollar for their efforts.

\$56.10 Gross
 \$ 9.41 Material
 \$10.00 Labor

 \$36.69 cleared for each batch

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1. What is a product or service you will provide when you graduate?

<p>Example:</p> <p>Inspect, backup and load Windows 7 operating system to a laptop computer. Load drivers and Windows Updates. Add AVG antivirus. Add Adobe Reader, Flash Player, Shockwave and AIR.</p> <p>Cost of material: \$0</p>	
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2. What is the amount of time we need to spend doing the procedure?

<p>Example:</p> <p>Backup laptop – 30 minutes Load Windows 7 – 5 minutes Load drivers - 10 minutes Updates - 5 minutes Adobe - 5 minutes AVG - 5 minutes</p> <hr style="width: 20%; margin-left: 0;"/> <p>Total - 60 minutes at 0.625 / min</p> <p>Labor cost is \$37.50</p>	
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3. What will we clear from the work?

<p>Example:</p> <p>Cost to recover data \$75 Cost to reload OS \$150</p> <hr style="border-top: 1px dashed black;"/> <p>Total charge \$225.00 Minus 37.50</p> <hr style="border-top: 1px solid black;"/> <p>Cleared \$187.50</p>	
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