



Ok, so the hypothesis I'd like to test is the hypothesis that we can make a healthy profit. I know that profit can be broken down into revenue and costs. To make a profit, revenues need to exceed the costs. I want to turn to the costs first, since I think that they can be determined more reliably than revenues: for which we'll be forced to make a lot of assumptions. As you can see, I've determined a few factors influencing cost, and I would like to ask you whether we have more information about them. The factors influencing costs are split between fixed costs such as labor, rent, utilities and interest and the variable costs, which I've split between the costs for drinks and food. I would like to start with the fixed costs first. Do we know how much the rent is?

- As a matter of fact, we do: rent is about € 500 per square meter per month, which includes expenses for utilities.

Aha, well we know what the size of our shop was 16 square meter, which comes down to yearly costs of $12 \times 16 \times 500 = € 96,000$, so let's fill that in.

- Very well.

That leaves us with both labor and interest. On interest, I assume we need to lend the 150,000 investment from investors or the bank, and