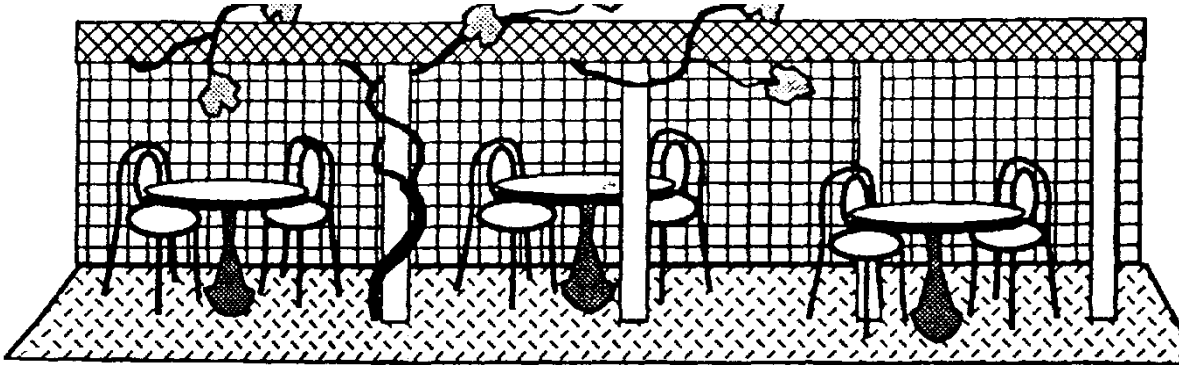


## Opening a Restaurant

A new restaurant has just opened, and the owner is trying to determine a reasonable cost for each meal. He has a set menu on each day.



One of the meals is roast beef with potatoes, peas and carrots and plum pudding. The owner gathers the following information:

- A 5kg cut of beef, to feed 12 people costs approx. \$30
- A 25kg bag of frozen peas costs \$24 and would be sufficient for about 60 meals.
- A sack 25kg of potatoes costs \$40 and would be sufficient for about 150 meals.
- A box of carrots costs \$3 and would feed approximately 20 people.
- A plum pudding costs \$6 to make and would serve 10 people.

He will need to employ one chef at \$320 p.w. and two waitresses at \$185 p.w.

For each week he plans to be open six days and expects to sell, on average, 360 meals.

- (a) From the above data, estimate how much this meal costs the owner to prepare.
- (b) List any other factors he might consider in deciding the price he should charge.
- (c) Estimate what price you think he should charge for the meal. (State clearly your reasons for deciding on this price and any assumptions you have made.)