

# Challenge 6

## Option B

### Start-up Costs



Complete the Start-up Costs worksheet  
for your Big Idea.



	A	B	C	D	E
1	<b>Startup Costs Template</b>				
2					
3	<b>Startup costs</b>				<b>Start up fundi</b>
4					
5	<b>Expenses</b>				Accounts payable
6	Website design		2,000		Other liabilities
7	Stationery		2,000		Debt
8	Insurance		4,000		<b>Total liabilities</b>
9	Payroll		3,000		
10	Rent		4,000		Investor capital
11	Computer costs		6,000		Owner capital
12	Legal		1,000		<b>Total capital</b>
13	Logo design		1,000		
14	Training		5,000		<b>Total funding</b>
15	Marketing		6,000		
16	Other		3,000		
17	<b>Total expenses</b>		<b>37,000</b>		
18					
19					
20	<b>Assets</b>				<b>Opening balar</b>
21	Land		20,000		Assets
22	Buildings		10,000		Cash
23	Equipment		20,000		Accounts receivable
24	Plant & Machinery		100,000		Inventory
25	Other				<b>Current assets</b>
26	<b>Long-term assets</b>		<b>150,000</b>		Long-term assets
27	Cash		10,000		<b>Total assets</b>
28	Accounts receivable		3,000		

## Top Tips

- The key to a successful business is preparation. Before your business opens its doors, you'll have bills to pay. Understanding your expenses will help you launch successfully.
- Calculating start-up costs helps you:
  - Estimate profits, secure loans, and attract investors.
- Start by making a list of EVERYTHING you think you'll need to make your Big Idea a reality.
- Then research the costs of each item on the list - you will be able to be very accurate on some items, but for others you will have to use your research to make a realistic guess.
- Think about both variable and fixed costs, learn about the difference in this video: <https://www.youtube.com/watch?v=28Odav4L8i8>

## Inspiration

You can find some more information and guidance for working out your start-up costs at these links:

- <https://www.sba.gov/business-guide/plan-your-business/calculate-your-startup-costs>
- <https://www.wikihow.com/Estimate-Start-Up-Costs>

## Next Steps

- Complete the challenge
- Update your business plan and PowerPoint with new information