

Profit Calculation Sheet

Name:

Date:

Period:

Directions

- Airlines stay in business by earning a profit. In this activity, you'll calculate profit for two airplane scenarios.
- Follow along to complete Case 1 as a class before completing Case 2 on your own.

Key Terms

Term	What it means
Revenue	The total money an airline collects from selling tickets.
Expense	The money an airline must spend to operate a flight (fuel, crew, etc.).
Profit	What's left after expenses are subtracted from revenue.
Profit = Revenue - Expenses	

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STUDENT HANDOUT 2

Case 1

Step 1: Record A+ Airways Standard Flight Information

Number of seats on the airplane:	
Fuel cost for this flight:	
Crew wages for this flight:	
Total expenses (fuel + crew wages):	

Step 2: Calculate revenue at each ticket price below, assuming every seat sells.

Ticket Price	Revenue (Price × Seats)	Total Expenses	Profit or Loss (Revenue – Expenses)
\$75			
\$100			
\$125			

At which ticket price(s) does A+ Airways earn a profit? At which price does it lose money? Why?

Case 2

Design Your Own Scenario: Now it's your turn. A+ Airways is considering a larger airplane with more seats — but also higher costs. Choose your own ticket price and work through the calculation.

Number of seats on this airplane:	
Fuel cost for this flight:	
Crew wages for this flight:	
Other expenses (insurance, taxes, etc.):	
Total expenses:	
Ticket price you choose:	

Step 1 — Full Capacity Revenue: Calculate revenue assuming every seat sells.

Step 2 — Occupancy Rate: In real life, airplanes don't always fly full. Assume this flight is only 80% full. Calculate your Adjusted Revenue. $\text{Adjusted Revenue} = \text{Full Capacity Revenue} \times 0.80$.

Step 3 — Profit: $\text{Adjusted Revenue} - \text{Total Expenses}$.

Reflection: *Is it better for an airline to sell more seats at a lower price, or fewer seats at a higher price? Use your numbers above to support your answer.*
