Name: ______________________________

Farm Hands or Robot Arms?

A Financial Look at Investing in Technology

Part 1: Vocabulary

- **Revenue:**
- **Cost of Goods Sold (COGS):**
- **Gross Profit:**
- **Operating Expenses:**
- **Net Income:**
- **Profit Margin:**
- **Fixed Costs:**
- **Variable Costs:**
- **Break-even Point:**

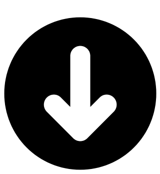
Part 2: Profit Margins

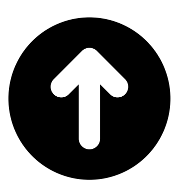
Profit margin is a financial metric that shows how much profit a company makes for every dollar of revenue after covering their costs. It's expressed as a percentage and calculated using the formula:

$$\textbf{Profit Margin} = \left(\frac{\textbf{Net Profit}}{\textbf{Revenue}}\right) \times 100$$

How can a business INCREASE their profit margin?

Decrease Production Costs





Increase Revenue