Marketing analysis of friend's business

Julia'sFoodBooth Based on the LP model to maximize profit with the established constraints Julia should sell pizza and hotdogs and not BBQ sandwiches. Based on this model Julia will earn $2250. 00 in profit. After buying food supplies for the next game she will have $750 remaining ($2250-1500). Julia's goal was to clear $1000 in profit which she was not able to meet. It is not clear how Julia is paying for the booth rental each game, but assuming she is covering the costs with her profits from the prior game she will need $1000 for the booth + $1500 for food which equals $2500 she needs to make each game just to cover her expenses.

The idea of Julia borrowingmoneywould not be necessary because what is limiting her profit is the limited space she has in the oven. In the model all of the oven space is being utilized by Pizza and Hotdogs. If she borrowed money she wouldn't have enough room to stock more food. She would have to borrow enough money to rent another oven, if there was enough space in the booth, and enough money to buy additional supplies.

In addition, assuming that my calculations are correct paying a friend to help her does not seem like a good idea as it would further cut into any profit and increase costs. There are many uncertainties that can affect Julia's profit. The case states that Julia anticipates selling all of her food; but not selling out will adversely affect her already strained profit margin. Fluctuations in the cost of the food could also change the profit. A game that doesn't sell out could also reduce the number of customers Julia has on any given day.