

1. Bavarian Bakery Expansion – Complex Version

Scenario:

- Munich bakery daily revenue: €500
- Daily costs: €350
- Berlin expansion: rent + labor €300/day, expected revenue €450/day
- Optional marketing campaign: €50/day to increase revenue by €30/day

Tasks:

1. Calculate net daily profit for Berlin **with and without marketing**.
2. Decide if expansion is worth it if the market is uncertain (50% chance revenue is only €400).

Decision Discussion:

- Students must weigh **expected profit under uncertainty** and make a strategic choice.

2. Oktoberfest Hotel Rooms – Complex Version

Scenario:

- Rooms: 50
- Standard rate: €100/night; cost: €60/room
- Oktoberfest rate: €120; cost: €70
- Extra staffing option: €200/day to serve 10 more guests

Tasks:

1. Calculate profit for full occupancy **with and without extra staff**.
2. Decide if extra staffing is worth it.

Discussion:

- Introduces **incremental analysis** and **cost-benefit thinking**.

3. Volkswagen Mini Car Sale – Complex Version

Scenario:

- Selling price: €15,000

- Production cost: €12,000
- Optional eco-upgrade: +€500 per car, increases selling price by €700
- Maximum production: 1,000 cars per month

Tasks:

1. Profit per car with and without eco-upgrade
2. Decide production quantity if demand is uncertain: 70% chance they can sell all 1,000, 30% only 700

Discussion:

- Students learn **expected value under uncertainty** and **simple investment decision**.

4. Berlin Café Renovation – Complex Version

Scenario:

- Renovation cost: €10,000
- Extra revenue: €500/month
- Optional promotion: €100/month, increases revenue by €150/month
- Risk: 20% chance extra revenue doesn't materialize

Tasks:

1. Calculate **payback period with and without promotion**
2. Decide if promotion is worth it

Numbers & Explanation:

- Payback without promotion: $€10,000 \div €500 = 20$ months
- Payback with promotion: $(€10,000 \div (€500 + €150 - €100)) = €10,000 \div €550 \approx 18.2$ months

Risk Consideration:

- 20% chance revenue stays at €500 $\rightarrow$ payback = $€10,000 \div €500 = 20$ months $\rightarrow$ promotion slightly risky but generally beneficial

5. Nuremberg Toy Factory – Complex Version

Scenario:

- Cost to produce 100 teddy bears: €1,000
- Selling price: €15/bear

- Optional new packaging: +€100 total, increases price by €2/bear
- Market risk: 25% chance only 80 bears sell

Tasks:

1. Profit calculation with/without new packaging
2. Adjust production based on market risk

Decision Discussion:

- Students must weigh **added cost vs potential revenue** and **risk of lower sales**.