

Role Description – Retailer

You are a large German retailer selling cell phones.

You can buy the cell phones from the intermediaries after negotiations concerning quantities, prices and qualities. While planning your business you should keep in mind that cell phones can only be sold in the year of production. They will go out of fashion at the end of the year.

Therefore order just as much cell phones as you believe can be sold. In the first year, all cell phones (of good quality) can be sold at a price of £ 50.00 per piece (one paper cell phone corresponds to 250,000 pieces). In the following years you can establish the selling price on your own, but the sales volume will change as well. Eventually the cell phones won't be ordered unlimited. Your sales volume depends on quality and price, as well as on the behavior of your competitors. The time you are not negotiating or selling can be used to create advertisements, in order to increase your sales volume.

Consider that besides the purchase prices also variable costs (cost of distribution) per piece emerge (£ 13.00 per piece). Furthermore you have to pay fixed costs of £ 30,000,000 each year.

In the first year you might want to gather information about the overall amount of cell phones produced by the factories to improve the accuracy of your calculation. Maybe the intermediaries as agents to the factory owners can be helpful.

Sell the cell phones to the consumers (the director of the game) and complete your calculation sheet afterwards. Carry forward your total capital to the next year. Your goal is to make as much money as possible.

Retailer

Year	Notes
Expenses	
· 250,000 phones = _____ phones at £ _____ per phone = £ _____	
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+ fixed costs = £ _____ 30,000,000	
+ variable costs _____ phones at £ 13.00 per phone = £ _____	
= total expenses = £ _____	
Revenues	
· 250,000 phones = _____ phones at £ _____ per phone = £ _____	
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= total revenues = £ _____	
Accounting	
Funds at the beginning of the year = £ _____	
+ total revenues = £ _____	
- total expenses = £ _____	
= funds at the end of the year = £ _____	

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