

# Molson Indy Vancouver – All about COST!

## Solutions

Q1. I imagine that you are the president and CEO of the Molson Indy Vancouver! What is the most amount of money possible that Molson Indy could make? Be sure to include a description of the possible expenditures and sources of revenue.

Answers may vary. Let's suppose that we have the following sources of revenue and expenditures:

<u>Revenue</u>	<u>Expenditures</u>
<u>Tickets</u> (161 000 fans)* (mean ticket price for 3-days \$123.35) = \$19 859 350	<u>Race Cars</u> Maintenance/Fuel (20 cars)*(\$50 000) \$1 000 000
<u>Food/Drinks</u> (161 000 fans)* (1 hotdog and drink per person \$10) = \$1 610 000	<u>Venue/Facilities</u> Bathrooms/land/equipment \$ 100 000
<u>Souvenirs</u> (161 000 fans)* (mean of \$15 per person) = 2 415 000	
Total: \$23 884 350	Total: \$1 100 000

With these figures, Molson would make \$22 784 350.

Q2. Is it worth the money to experience three action-packed days of fun, excitement, and wheel-to-wheel racing action at the Molson Indy Vancouver, as opposed to one or two days? Compare the costs and explain which is the better deal!

There are many ways to consider this problem. Let's look at general seating to compare. 3 days costs \$60/ticket whereas Friday, Saturday and Sunday tickets cost \$19, \$35, and \$50 respectively. If you bought the single tickets for all 3 days, we would be paying  $19 + 35 + 50 = 60$  = \$44 more. Now what if you bought tickets in the gold section? 3 days would cost \$220.5 which would be \$116.5 more expensive than buying single general admission tickets.

Make a chart that describes the fraction, percent, decimal and ratio of seating which is bronze, silver, and gold. Graph your result.

Using a string, find the length of the total track. Find length of each stretch of seating. This is only approximate.

	Fraction	Percent	Decimal	Ratio
Bronze	3/55	5.5%	0.055	3:55
Silver	4/55	7.3%	0.073	2:55
Gold	3/55	5.5%	0.055	3:55

Wow! In 2002, over 161, 000 fans attended the Molson Indy Vancouver. What is the difference in revenue that the Molson Indy Vancouver would make if there were only general seating? Write a paragraph explaining any assumptions made and your rationale.

Answers may vary. Let's assume that out of the 161 000 fans, they sit in the following seats:

Gold: 9000	\$ 1 984 500
Silver: 11 000	\$ 1 386 000
Bronze: 9000	\$ 720 000
General 3-day: 45 000	\$ 2 700 000
General Friday: 25 000	\$ 475 000
General Saturday: 25 000	\$ 875 000
General Sunday: 25 000	\$ 1 250 000
Pit lane: 11 000	\$ 330 000
Cart paddock pass: 900	\$ 31 500

Wheelchair: 100	\$ 8 000
	<u>\$9 760 000</u>

General Seating only: (29 000 people who would be seated in general instead of gold, silver or bronze).

General 3-day: 55 000	\$ 3 300 000
General Friday: 30 000	\$ 570 000
General Saturday: 30 000	\$ 1 050 000
General Sunday: 30 000	\$ 1 500 000
Pit lane: 15 000	\$ 450 000
Cart paddock pass: 900	\$ 31 500
Wheelchair: 100	\$ 8 000
	<u>\$6 909 500</u>

General seating yields \$ 2 850 500 according to my results.