

Break even turn over

1-

Marty McDonald has a business packaging software in Wisconsin. His annual fixed cost is \$10,000, direct labor is \$3.50 per package, and material is \$4.50 per package. The selling price will be \$12.50 per package. What is the break-even point in dollars? What is break-even in units?

2-

John has been asked to determine whether the \$22.50 cost of tickets for the community dinner theater will allow the group to achieve break-even and whether the 175 seating capacity is adequate. The cost for each performance of a 10-performance run is \$2,500. The facility rental cost for the entire 10 performances is \$10,000. Drinks and parking are extra charges and have their own price and variable costs, as shown below:

1	2	3	4	5	6	7	8	9
	SELLING PRICE (P)	VARIABLE COST (V)	PERCENT VARIABLE COST (V/P)	CONTRIBUTION 1 - (V/P)	ESTIMATED QUANTITY OF SALES UNITS (SALES)	DOLLAR SALES (SALES × P)	PERCENT OF SALES	CONTRIBUTION WEIGHTED BY PERCENT SALES (COL.5 × COL. 8)
Tickets with dinner	\$22.50	\$10.50	0.467	0.533	175	\$3,938	0.741	0.395
Drinks	\$ 5.00	\$ 1.75	0.350	0.650	175	\$ 875	0.165	0.107
Parking	\$ 5.00	\$ 2.00	0.400	0.600	100	\$ 500	0.094	0.056
					450	\$5,313	1.000	0.558