

Total cost

Total cost

= Total fixed costs + Total variable costs

Elegance Abaya factory in Ajman had total fixed costs of Dh50,000 and total variable costs of Dh20,000 last month.

Find the Break-Even Point, Identify the level of Break-Even, Calculate Break-Even units.

Average cost

$$\text{Average Cost} = \text{Total cost} \div \text{Number of units}$$

Elegance Abaya factory in Ajman produced 100 abayas last month and had a total cost of Dh6 400.

Find the Break-Even Point, Identify the level of Break-Even, Calculate Break-Even units.