

Break-even calculations



Calculate the break-even point for each question.

Example:

Connexions Company sells USB cables for Dh10 each. The variable cost per USB cable is Dh2 and the fixed costs are Dh4,000. What is the break even point?

$$\text{Break-even point} = \frac{\text{Total Fixed Costs}}{\text{Contribution per unit}}$$

$$\text{BEP} = \frac{4,000}{8} = 500 \text{ USB cables}$$

- 1 Bright Lights Company sells Moroccan Lamps for Dh400 each. The variable cost per lamp is Dh60 and the fixed costs are Dh16,000. What is the break-even point?
- 2 Digiview Company sells 3D televisions for Dh3,000 each. The variable cost for each television is Dh500 and the fixed costs are Dh300,000. What is the break-even point?
- 3 Finland Fries sells fries at a price of Dh20 each. The variable cost is Dh5 per container of fries and the fixed costs are Dh9,000. What is the break-even point?
- 4 Playland Amusement Park sells tickets for Dh250 each. The variable cost per ticket is Dh50 and the fixed costs are Dh140,000. What is the break-even point?