MINISTERIO DE EDUCACIÓN, CIENCIA Y TECNOLOGÍA
INSTITUTO NACIONAL ALEJANDRO DE HUMBOLDT
CÓDIGO: 10052 – AHUACHAPÁN, AHUACHAPÁN

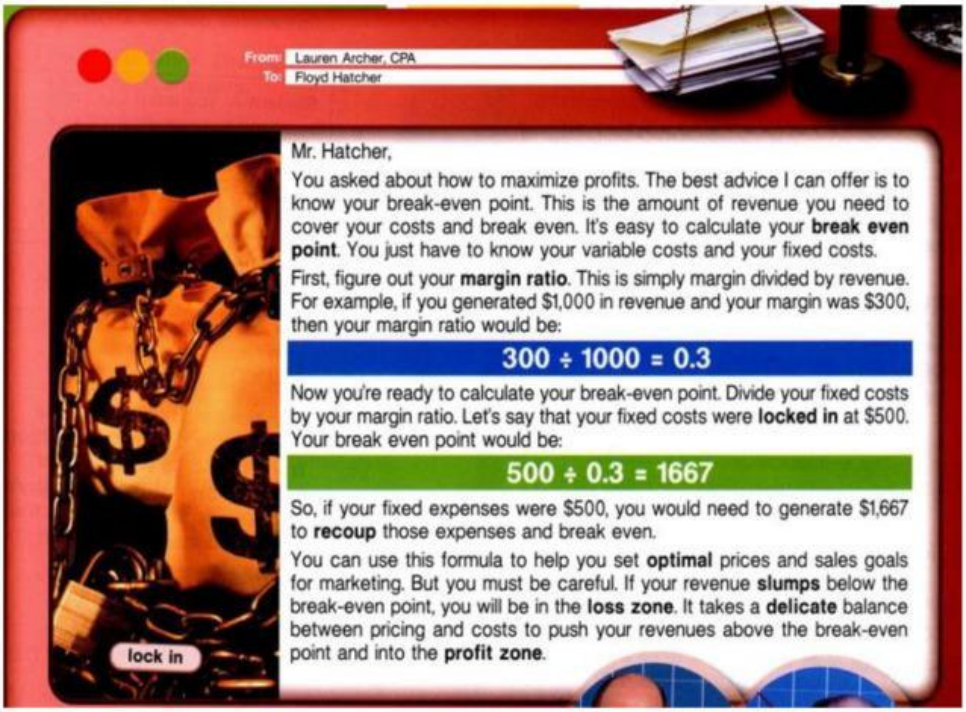
STUDENT'S NAME: _____

LEVEL: _____

DATE: _____

WORKSHEET 2

THE BREAK-EVEN POINT



Activity 1: Vocabulary
Select the correct translation of the following vocabulary. Then choose the appropriate synonym.

1.	Break-even point	a)	Balance delicado	I.	Contracted or committed
2.	Delicate balance	b)	Costos variables	II.	Decrease in performance
3.	Fixed expenses	c)	Encerrado	III.	Deficit region
4.	Locked in	d)	Gastos fijos	IV.	Financial equilibrium
5.	Loss zone	e)	Índice de margen	V.	Income
6.	Margin ratio	f)	Ingresos	VI.	Predetermined expenses
7.	Profit zone	g)	Metas de ventas	VII.	Profit area
8.	Recoup	h)	Punto de equilibrio	VIII.	Profit margin percentage
9.	Revenue	i)	Recesiones	IX.	Recuperate
10.	Sales goals	j)	Recuperar	X.	Sensitive stability
11.	Slumps	k)	Zona de ganancias	XI.	Target sales
12.	Variable costs	l)	Zona de pérdida	XII.	Unstable costs

1	2	3	4	5	6	7	8	9	10	11	12

LIVEWORKSHEETS

Activity 2: Comprehension

1. **How is the margin ratio calculated?**
   a) Fixed costs divided by revenue
   b) Margin divided by variable costs
   c) Margin divided by revenue
   d) Revenue divided by margin
   Answer: _____

2. **If your fixed costs are $500 and your margin ratio is 0.3, what is your break-even point?**
   a) 500 ÷ 0.3 = 1,667
   b) 500 + 0.3 = 500.3
   c) 500 × 0.3 = 150
   d) 500 ÷ 1,000 = 0.5
   Answer: _____

3. **What does it mean if a business is in the "loss zone"?**
   a) The revenue is above the break-even point.
   b) The business has reached its optimal sales goals.
   c) The revenue is below the break-even point.
   d) The margin ratio is equal to one.
   Answer: _____

4. **What is recommended to do when revenue is in a slump?**
   a) Increase fixed costs
   b) Adjust pricing and push revenues above the break-even point
   c) Lower variable costs
   d) Maintain current sales goals
   Answer: _____

5. **Which of the following is an example of "recouping expenses"?**
   a) Reducing sales goals
   b) Setting an optimal price
   c) Generating enough revenue to cover fixed expenses
   d) Locking in variable costs
   Answer: _____

6. **What does a "delicate balance" refer to in the reading?**
   a) Maintaining an equal proportion of variable and fixed costs
   b) Keeping expenses and revenue at the break-even point
   c) Adjusting pricing between loss zone and profit zone
   d) Setting marketing budgets based on slumps
   Answer: _____

7. **What is the purpose of calculating the margin ratio?**
   a) To identify optimal pricing
   b) To determine the fixed costs
   c) To lock in expenses
   d) To measure the break-even point
   Answer: _____

LIVEWORKSHEETS