

## Breakeven – Worksheet



**Break Even Point Explained**

Fixed Cost Example – Land, Building, Machinery

Variable Cost Example= Light, Heat, Paying Staff



Break Even Units Formula

$$\text{Break Even Units} = \frac{\text{Fixed Costs}}{\text{SP} - \text{VC}}$$

*SP = Selling price per unit*

*VC = Variable cost per unit*

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Note: Use the above formula to answer the below questions

Scenario: You have been asked to calculate the break even point for the following 4 companies

1. Company #1

Fixed Costs = 1000AED	Variable cost per unit = 10AED
Selling price per unit = 20AED	Breakeven point =

2. Company #2

Fixed Costs = 10000AED	Variable cost per unit = 60AED
Selling price per unit = 100AED	Breakeven point =

3. Company #3

Fixed Costs = 50000AED	Variable cost per unit = 1200AED
Selling price per unit = 1500AED	Breakeven point =

4. Company #4

Fixed Costs = 15680AED	Variable cost per unit = AED750
Selling price per unit = 1240AED	Breakeven point =

