

**Problem#1**

The selling price of the product is \$199.95. The variable costs per unit are

Labor	\$60.26
Raw Material	\$25.70
Purchased Components	\$21.50
Variable Overhead	\$17.50

The fixed total cost \$300,000 per year; perform breakeven analysis of this company:

- What is the total revenue function?
- What is the total cost function?
- What is the profit function?
- What is the breakeven point in units of the product?
- What is the revenue at the breakeven point?
- Estimate the profit when 9000 units of the product are sold in a year?
- How many units must be sold for the company to make \$900,000?

**Problem # 2**

A one machine shop producing bolts has a fixed cost of \$2000 and a variable cost of \$ 2 per bolts. The selling price is \$ 6 per unit. Find break even volume of production and total revenue corresponding to the break even volume?

**Problem#3**

The Bach Company produces office chairs. The price of the chairs is \$99.75 and the variable cost per chair is \$49.75 the following fixed cost is incurred:

Depreciation of plant and equipment per year	\$20,000
Property Tax per year	\$12,000
Variable Overhead	\$5,200

Perform breakeven analysis of this company:

- What is the total revenue function?
- What is the total cost function?
- What is the profit function?
- What is the breakeven point in units in number of chairs?
- What is the revenue at the breakeven point?
- Estimate the profit when 1500 chairs are produced in a year?
- How many chairs must be sold for the company to make \$750000 in a year?

<https://www.dropbox.com/s/70hthblz84cisqb/Unit%2015%20BREAK%20EVEN%20ANALYSIS.pdf?dl=0>