

Name:

Date:

Class:

Break-Even Point

Skill:

- Application (AP)

Time on Task:

- 10–15 minutes

Goal/Purpose:

- The goal of this activity is to calculate the break-even point for a business.

Using the break-even point formula calculate the break-even point for the following businesses.

1. Demar has a printing business, printing all kinds of t-shirts. A printing machine costs Demar \$500, and they have other fixed costs of \$1,000. They sell each shirt for \$32, and the cost to make a shirt is \$20. How many shirts must they sell to break even?

Answer:

2. Olivia started a jewelry business and spent \$740 on tools and materials. She wants to sell bracelets for \$40 each, and it cost her \$9 to make each one. How many bracelets must Olivia sell to break even?

Answer:

3. Monica opened a bakery and invested \$10,000 in equipment and supplies. She plans on selling a loaf of bread for \$4, and the cost of preparing one loaf of bread is \$0.50. How many loaves of bread will need to be sold to break even?

Answer:

4. Ramon is starting a new coffee shop business. After checking supply prices, he determines that the equipment will cost \$12,000. The average retail price of coffee is \$5 at the high-end coffee shops, and Ramon has decided to sell his competitive brand coffee for \$4.00. His cost to make the coffee, including the cost of the cup and lid is \$0.45. What is the break-even point for Ramon's coffee business?

Answer:

