

THE PRICE IS RIGHT - OR IS IT?



How many units does the company need to sell to breakeven?

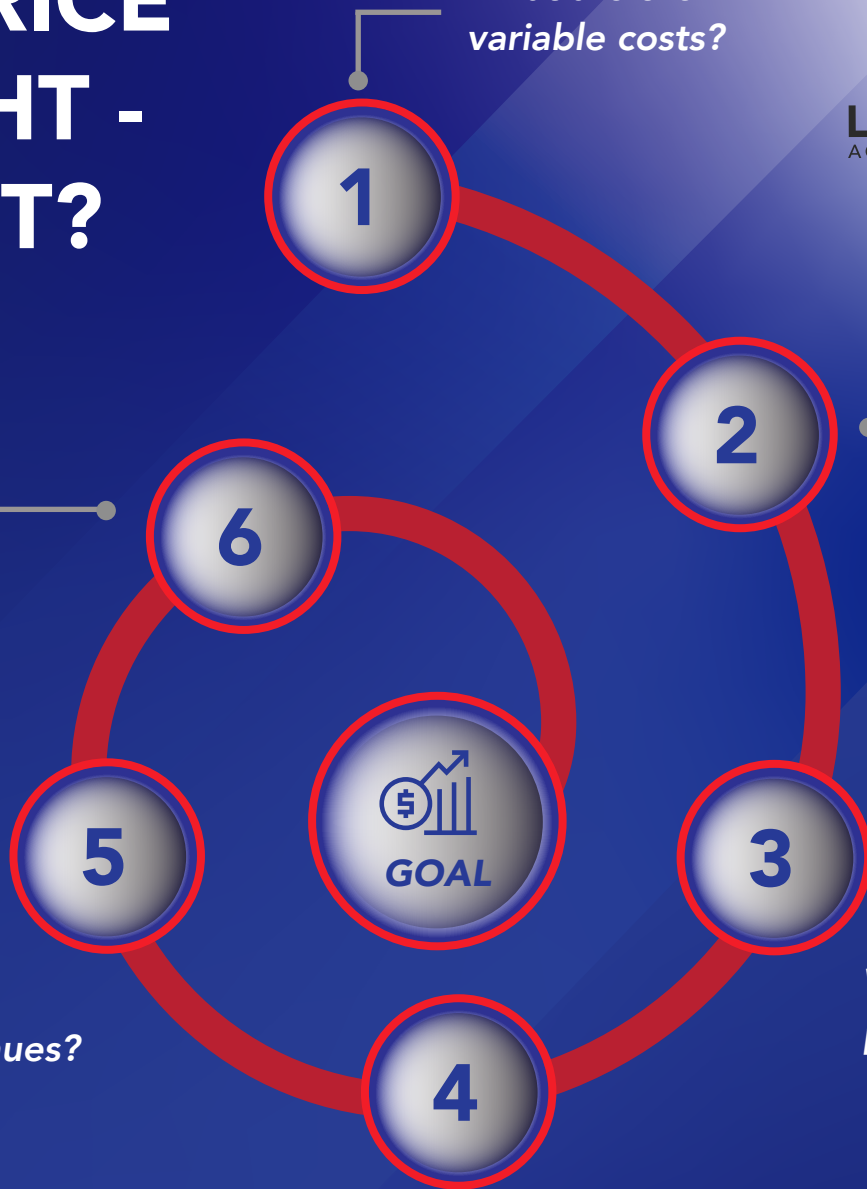
What are the variable costs?

What are the fixed costs?

What are the breakeven revenues?

What is the gross profit per unit?

What is the gross profit percentage per unit?



VARIABLE COSTS: Costs vary in direct relationship to revenues

FIXED COSTS: Costs remain fixed within a certain volume

GROSS PROFIT: Revenues per unit less variable costs per unit

GROSS PROFIT PERCENTAGE = $\text{Gross profit} \div \text{revenues}$

BREAKEVEN REVENUES = $\text{Fixed Costs} \div \text{Gross Profit Percentage}$

BREAKEVEN UNITS = $\text{Breakeven Revenues} \div \text{revenues per unit}$



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REACH OUT TO DISCUSS >

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