

BIE Homework Sheet

Year: 10

Project: Finance

Date issued: 30th June 2009

Date Due in: 6th July 2009

Calculate breakeven point for the following scenarios:

TT Ltd makes novelty clocks. Each clock is sold for £15 each.
The variable costs of making one clock are:

Plastic £4

Movement £2

Batteries £1.50

Fixed costs are £41,250 per year.

1. How many clocks need to be made and sold to break even?
2. The following month fixed costs are reduced to £37,500 now how many clocks need to be made and sold to break even?
3. If fixed costs stay at £37,500 and the cost of batteries increase to £2.75 how many will need to be made and sold to breakeven?

All Homework must be handed in on the date requested.

If you hand in homework late or it is of an unacceptable standard you will be given a p6.