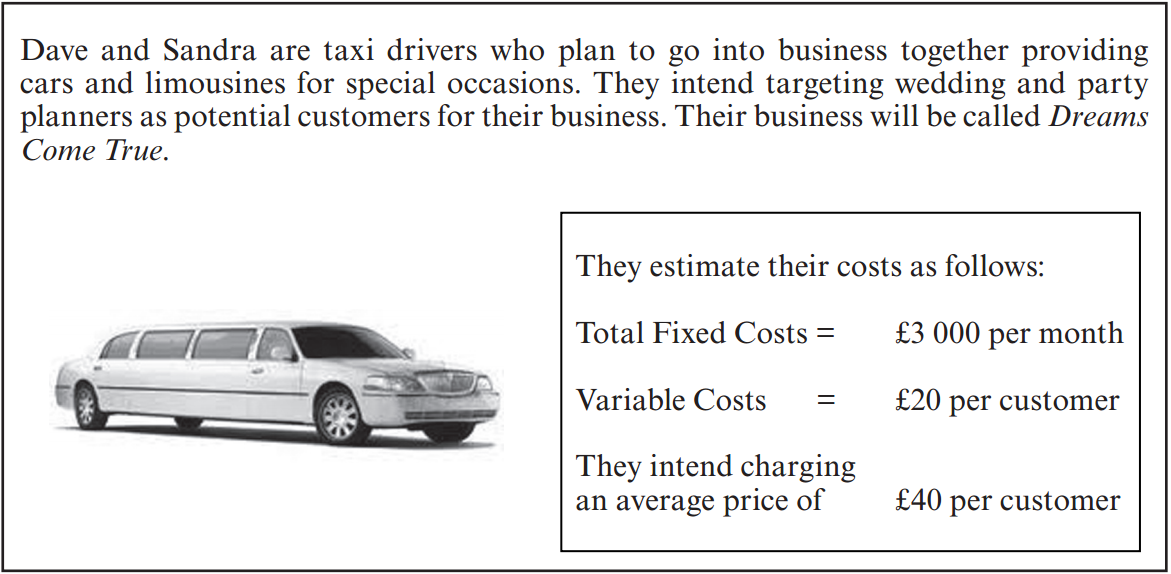
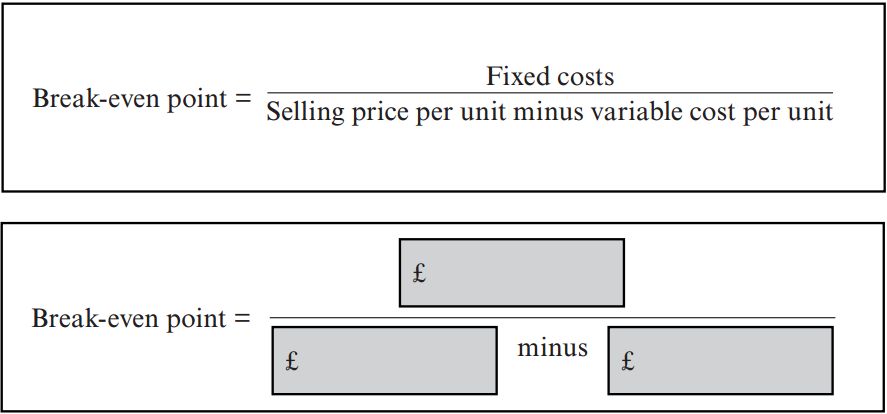
**Break Even**

Study the information below and then answer the questions that follow.



Using the formula below and the information given in the scenario, insert the correct amounts in the shaded areas.





**QUESTION TIME!**

|  |  |
| --- | --- |
| Calculate the number of customers Dreams Come True must have to break even. |  |

Use the scenario from task three to complete the output table.

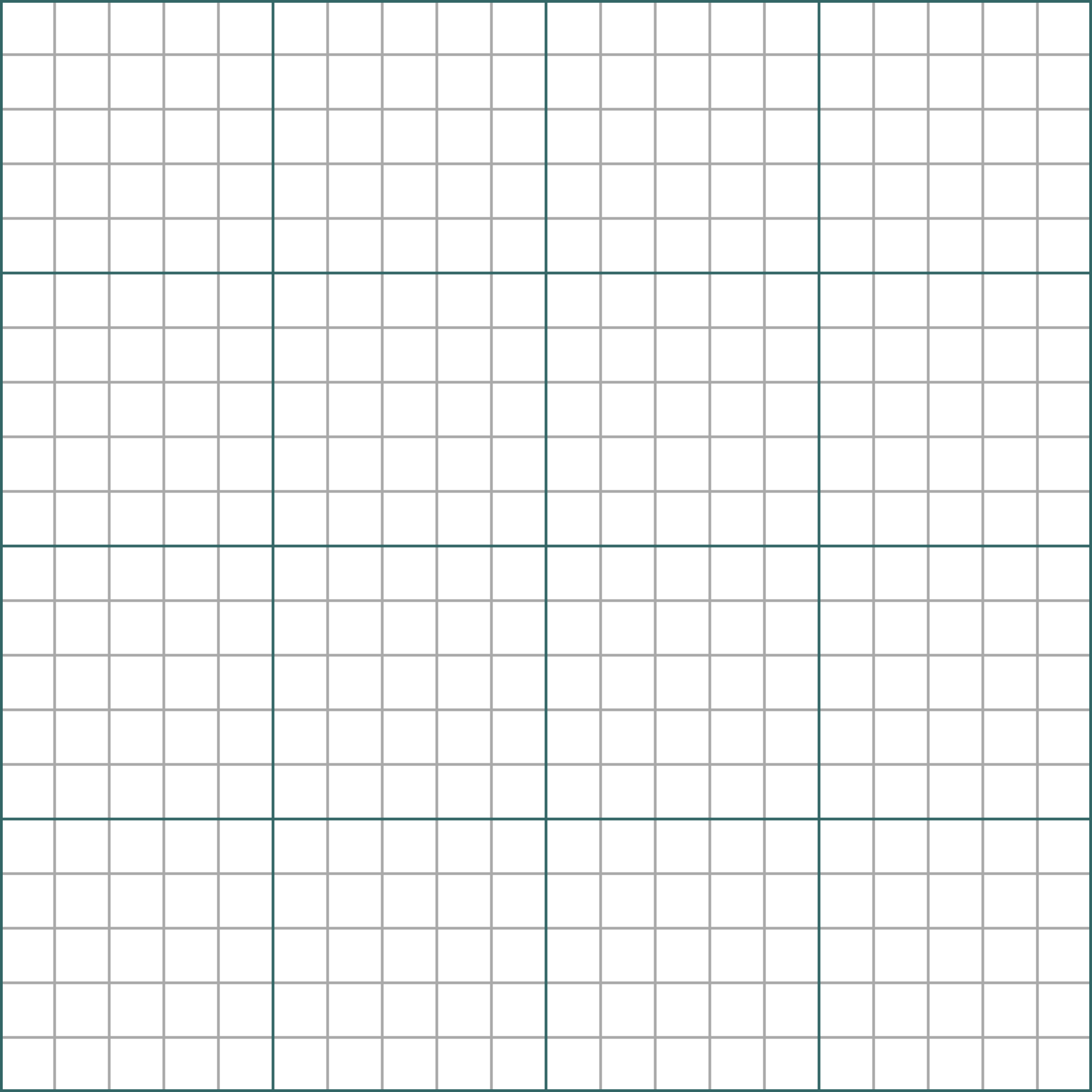
|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Customers per month | Fixed Costs (£) | Variable Costs (£) | Total Costs  (£) | Total Revenue  (£) |
| 0 |  |  |  |  |
| 50 |  |  |  |  |
| 100 |  |  |  |  |
| 150 |  |  |  |  |
| 200 |  |  |  |  |



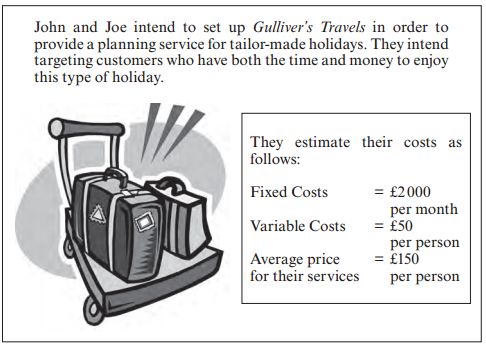
**QUESTION TIME!**

|  |  |
| --- | --- |
| What would be the profit or loss is the business had 100 customers a month? |  |

Plot a break even chart for Dave and Sandra then label it



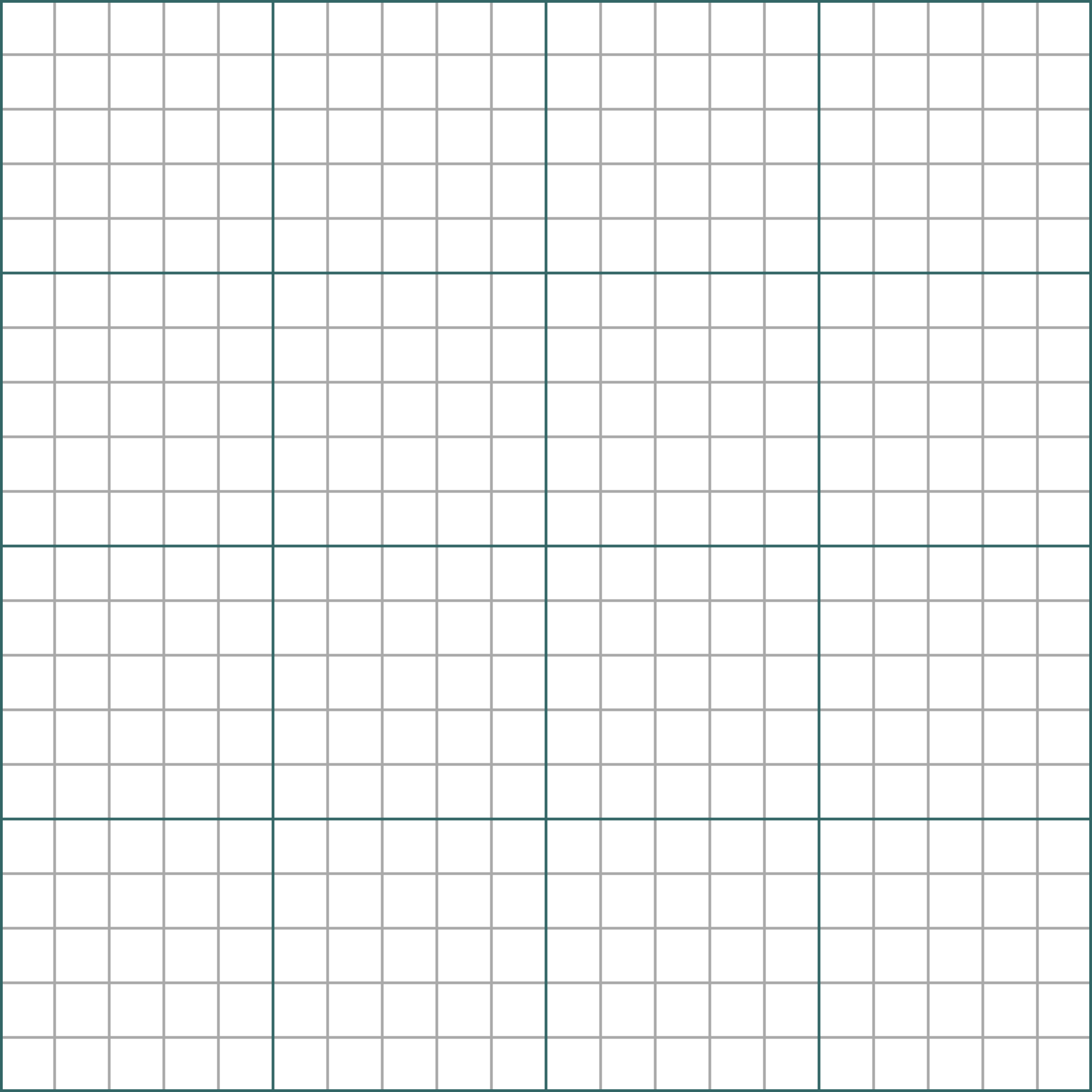
Study the information below and then answer the questions that follow.



Use the scenario above to complete the output table

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Customers per month | Fixed Costs  (£) | Variable Costs (£) | Total Costs  (£) | Total Revenue  (£) |
| 0 |  |  |  |  |
| 10 |  |  |  |  |
| 20 |  |  |  |  |
| 30 |  |  |  |  |
| 40 |  |  |  |  |

Plot a break even chart for John and Joe then label it





**QUESTION TIME!**

|  |  |
| --- | --- |
| State the number of customers Gulliver’s Travels must have to break even |  |

**A grade exam questions:**

|  |  |
| --- | --- |
| State the profit or loss the business would make in a month if it had 30 customers. |  |
| State one course of action John and Joe could take if there was an unexpected increase in costs. |  |
| Explain the impact of your chosen course of action on Gulliver’s Travels. |  |
| What are the limitations of a break-even analysis? |  |