Break-even Point

(Crossword Puzzle #1)

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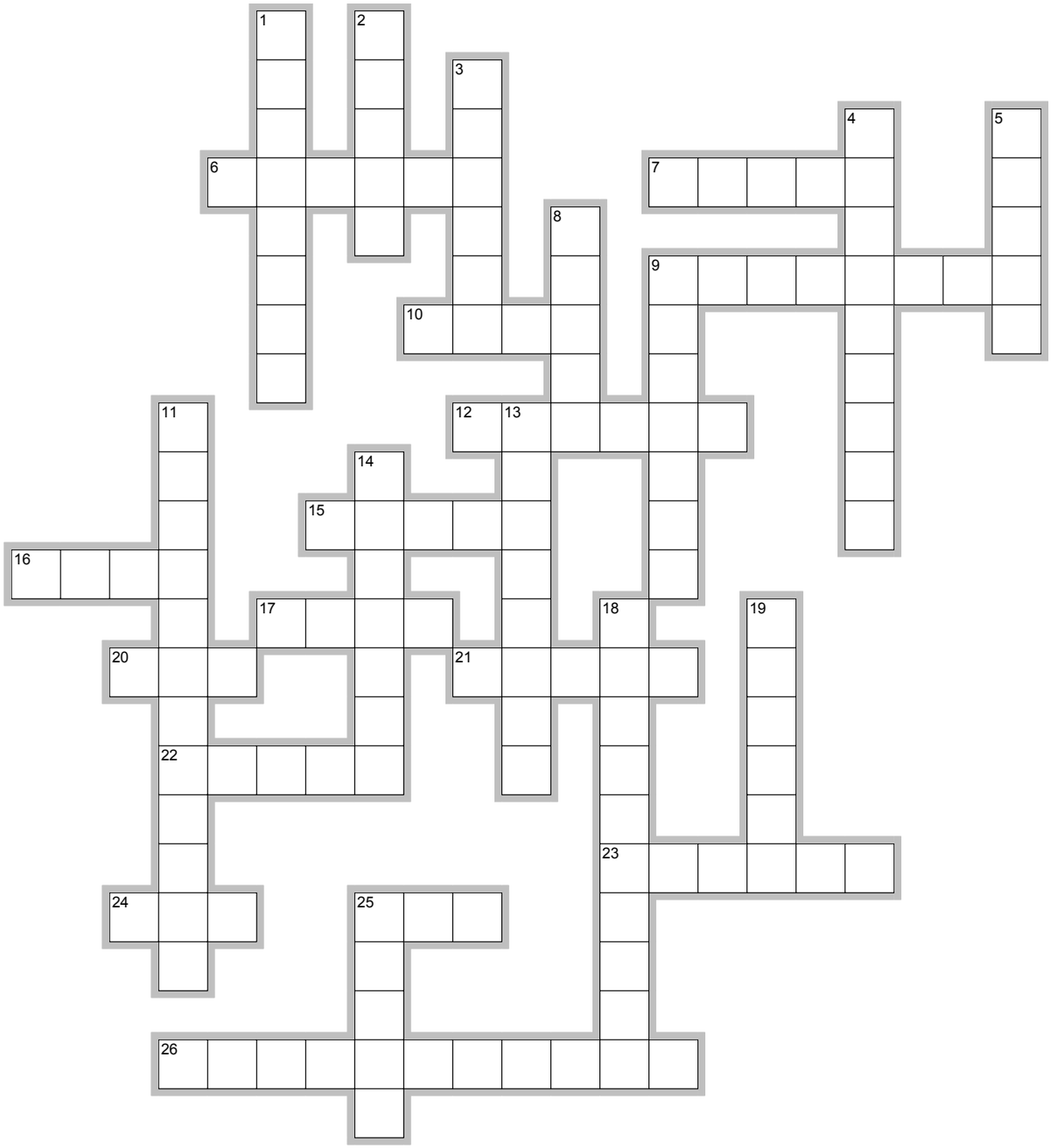

Across (Break-even Point #1)

6. In break-even analysis and in CVP analysis it is assumed that sales and variable costs and expenses are _____. That is, these amounts per unit do not change within the specified range of volume and therefore they are graphed as a straight line.

7. The _____ of the total cost line is the variable cost per unit of activity.

9. A fixed cost will _____ on a per unit basis as volume increases.

10. The contribution margin per _____ is an item's selling price minus the item's variable costs and expenses.

12. The 'P' in CVP.

15. Fixed costs and expenses do not change in _____ within a reasonable range of volume.

16. The 'C' in CVP.

17. Once a company's sales volume has passed the break-even point, its profit should increase by the unit contribution margin for each unit _____.

20. The sales _____ is the relative proportion or combination of products sold.

21. A merchant's break-even point is where _____ will be equal to the total of the variable and fixed expenses.

22. The break-even point in _____ is calculated by dividing fixed costs and fixed expenses by the contribution margin per unit.

23. The margin of _____ is the amount by which sales would have to decline in order for the company to be at the break-even point (or go from a profit to a loss).

24. A simple method for calculating the equation of a line is the high-_____ technique.

25. An automobile cost that is likely to vary with miles driven.

26. In the equation of a line representing a cost, y = a + bx, x is the _____ variable.

Down (Break-even Point #1)

1. The behavior of costs and expenses that change in total as volume changes.

2. If you wish to earn $50,000 instead of breaking even, you could add $50,000 to the _____ costs in the break-even formula.

3. The contribution _____ is sales dollars minus the variable costs and expenses.

4. In the equation of a line representing a cost, y = a + bx, y is the _____ variable.

5. Costs that are partly fixed and partly variable.

8. The contribution margin _____ is computed by dividing the dollars of contribution margin by the dollars of sales.

9. The variable cost ratio is the variable costs _____ by sales dollars.

11. Sales minus variable costs and expenses is the _____ margin.

13. The range of activity where the fixed costs and expenses are not likely to change in total is the _____ range.

14. The break-even point in _____ of sales is calculated by dividing the total amount of fixed costs and fixed expenses by the contribution margin ratio.

18. A statistical method for determining the equation of a line by using the least-squares method.

19. The 'V' in CVP.

25. Before applying techniques for determining the equation of a line, it is wise to first _____ the data in order to see if some data is out of line.

Solutions (Break-even Point #1)