

Break-even Point

(Crossword Puzzle #2)

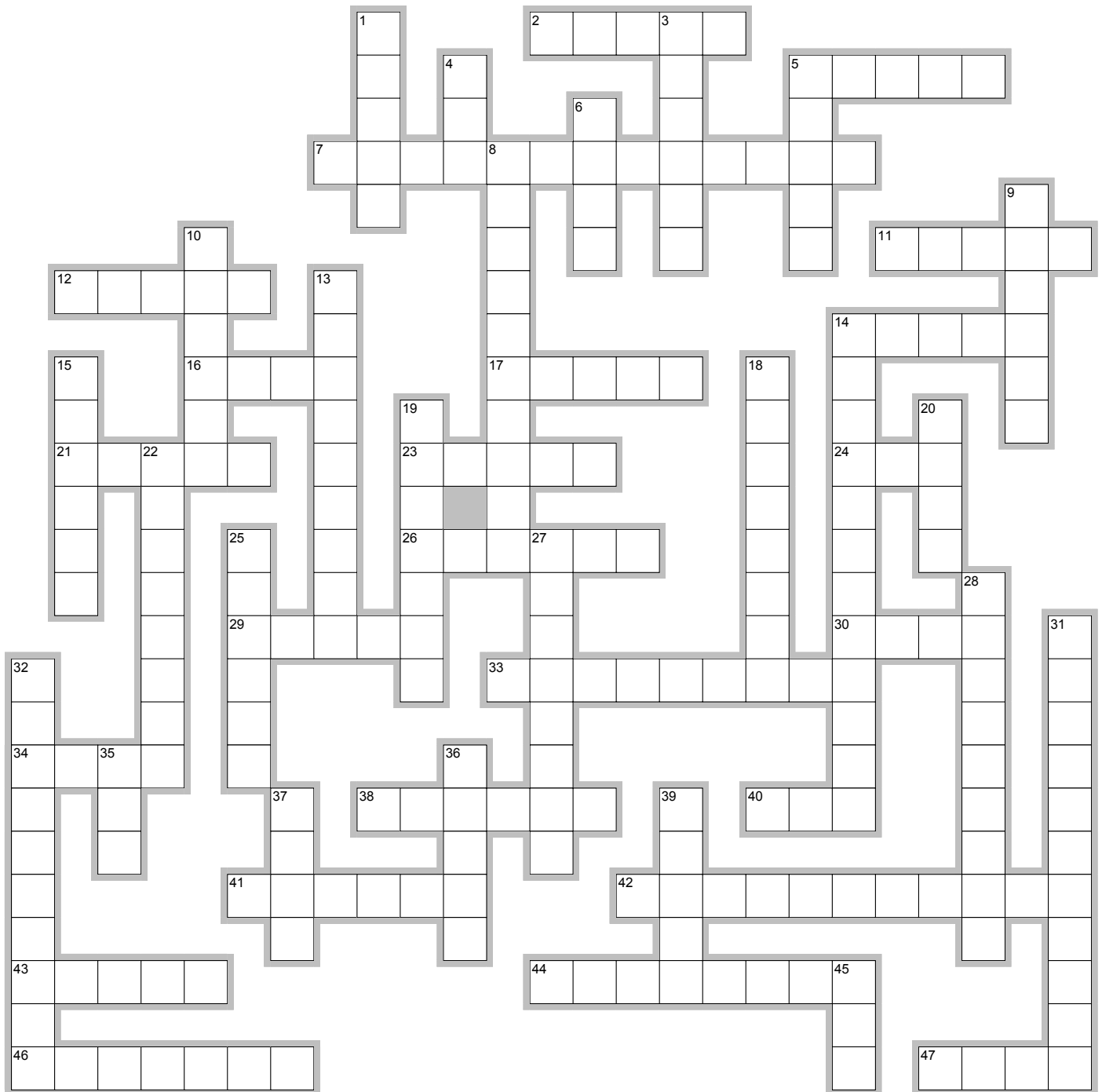


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Crossword Puzzle (Break-even Point #2)



ACROSS (Break-even Point #2)

2. The _____-squares method is used to calculate the best fitting line through the points in a scattergraph.
5. When using one of the techniques for analyzing a mixed cost, it is important to prepare a scatter-_____ of all of the observations to be certain that the data does not contain an outlier.
7. The coefficient of _____, represented by r^2 , indicates the percentage change in the dependent variable (e.g. total cost in the shipping department) that is explained by the change in the independent variable (e.g. the number of parcels shipped).
11. The break-even point in sales dollars can be found by dividing the fixed costs and expenses by the contribution margin _____ or percentage.
12. Make or buy decisions usually rely on cost behavior in the _____-run.
14. A high degree of correlation does not guarantee that there is a _____-and-effect relationship between the independent and dependent variables.
16. A company has one product with a selling price of \$20 and variable costs and expenses of \$8 per unit. The fixed costs and expenses are \$32,000 and the company has a target profit of \$28,000. To reach the target profit, the company must sell _____ thousand units of the product.
17. A product sells for \$20 and it has variable costs and expenses of \$8 per unit. The contribution margin ratio for this product is _____ percent.
21. A product sells for \$30 and has variable costs and expenses of \$18 per unit. The fixed costs and expenses are \$20,000. The break-even point in sales dollars is _____ thousand dollars.
23. Total fixed costs and expenses divided by the contribution margin per unit gives you the break-even point in _____.
24. The number of independent variables in multiple regression is _____ or more.
26. _____ programming is a tool to compute the optimum mix of products given the product's contribution margin per unit and the specified quantities of scarce resources.
29. Fixed costs are assumed to remain constant in total only within a reasonable or relevant _____ of volume or activity.

ACROSS (Break-even Point #2)

- 30. The break-even point in units can be found by dividing the fixed costs and expenses by the contribution margin per _____.
- 33. In the equation of a line for a mixed cost, $y = a + bx$, "y" is the _____ variable.
- 34. When deciding between two alternatives, the amounts that are the _____ in each of the alternatives are not relevant to the decision.
- 38. An independent variable with a high r^2 would be a good candidate as a cost _____ in activity-based costing.
- 40. Differential expenses and revenues are adequate for short-_____ decisions.
- 41. There is only one independent variable in _____ regression analysis.
- 42. When two variables tend to vary together, we say there is some _____ between the variables.
- 43. A product sells for \$15 and has variable costs and expenses of \$7 per unit. The company's fixed costs and expenses are \$24,000. The number of units that must be sold in order to break-even is _____ thousand units.
- 44. A cost line may be curved, but within a pertinent or _____ range of volume, the line may be nearly straight.
- 46. Total fixed costs and expenses divided by the contribution margin percentage gives you the break-even point in _____.
- 47. In the equation of a line for a mixed cost, $y = a + bx$, "y" is the expected total _____.

Down (Break-even Point #2)

1. Costs that remain the same in total even though volume or activity changes.
3. If you _____ the correlation coefficient, you will know the percentage of change in the dependent variable that is explained by the change in the independent variable.
4. A correlation coefficient with the digit _____ indicates perfect correlation.
5. Variable selling and administrative expenses are not a part of the calculation of the _____ profit, but are part of the calculation of the contribution margin.
6. A method for determining the fixed and variable portions of a mixed cost by using just two points of activity and the total costs at those points of activity is the _____-low method.
8. A statistical tool to find the best fitting line through a group of points is _____ analysis.
9. Excluding fixed manufacturing overhead from a manufacturer's inventory is referred to as variable costing or _____ costing.
10. The "P" in CVP.
13. The point where revenues are equal to the total of the fixed costs and variable costs.
14. The _____ margin per unit equals selling price minus all variable costs and expenses per unit.
15. The amount of sales that are above the break-even point is referred to as the margin of _____.
18. Costs that increase in proportion with the increase in volume or activity.
19. An observation (cost and/or activity) that is outside of the normal pattern and could distort the formula for a mixed cost.
20. The total amount of a mixed cost is \$30,000 when the activity is 6,000 hours and it is \$26,000 when the activity is 5,000 hours. Using the high-low method, the variable cost is _____ dollars per hour.
22. The formulas for mixed costs are helpful in preparing a _____ budget.

Down (Break-even Point #2)

- 25. After reaching the break-even point, the next unit sold should result in the company's profit being equal to the contribution _____ per unit.
- 27. In determining the contribution margin, variable costs include the variable manufacturing costs and the variable administrative and selling _____.
- 28. The t-_____ is an indication of the confidence in the coefficients of the independent variables contained in the equation for estimating a cost.
- 31. In the equation of a line for a mixed cost, $y = a + bx$, "x" is the _____ variable.
- 32. Long-run decisions should be based on _____ cash flow calculations.
- 35. The relative proportion of units sold is the sales _____.
- 36. Costs that are partially fixed and partially variable.
- 37. In the equation of a line for a mixed cost, $y = a + bx$, "a" is the point where the line would cross the y-_____.
- 39. In the equation of a line for a mixed cost, $y = a + bx$, the _____ of the line is indicated by "b".
- 45. The total amount of a mixed cost is \$16,000 when the activity is 6,000 hours and it is \$14,000 when the activity is 4,000 hours. Using the high-low method, the fixed cost is _____ thousand dollars.

Solutions (Break-even Point #2)

