

Break-even Point in Dollars

(multiple products or services)

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Break-even Point in \$ = Fixed expenses divided by the
contribution margin ratio or %

Calculation of the **break-even point in dollars** for the following

time period: _____ (month, year, etc.)

Fixed expenses the for period	\$ _____	F	
<i>divided by</i> the contribution margin ratio	_____ %	CMR	
= Break-even point in \$ for period	<u><u>\$ _____</u></u>	BE\$	(F / CMR)

Notes:

This break-even point assumes that the product mix (proportions of various products sold or services provided) will remain the same.

F Fixed expenses are those expenses that will not change in total as the volume of activity changes. Enter your total fixed expenses here:

Rent	\$ _____	
Salaries and related fringe benefits	\$ _____	
Insurance, property taxes, maintenance	\$ _____	
Depreciation	\$ _____	
Interest	\$ _____	
Other: _____	\$ _____	
Total fixed expenses for period	<u><u>\$ _____</u></u>	F

CMR Contribution margin ratio or % = 100% minus the variable expenses as a percentage of sales.

In the following example the contribution margin ratio is 60%:

Sales dollars	\$ 100,000	
<i>minus</i> variable expenses	- 40,000	
= Contribution margin	<u><u>\$ 60,000</u></u>	Dollars
		<u><u>60% Ratio (\$60k/\$100k)</u></u>

Enter your company's amounts here:

Sales dollars	\$ _____	S	
<i>minus</i> total variable expenses	\$ _____	V	
Contribution margin \$ and ratio	<u><u>\$ _____</u></u>	CM\$ (S - V)	<u><u>_____ %</u></u> CMR (CM\$ / S)

V Variable expenses are the expenses that change in total as the volume of activity changes. Enter your total variable expenses here:

Purchase costs	\$ _____	
Direct labor and fringes	\$ _____	
Sales commissions and shipping	\$ _____	
Other: _____	\$ _____	
Total variable expenses for period	<u><u>\$ _____</u></u>	V

See **Filled-In Form B3** for an illustration.

Learn more about break-even point at www.AccountingCoach.com