Break-even Point in Dollars - **Form B2**
(one product or one service)

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

Calculation of **break-even point in dollars** for the following time period: ____________________ (month, year, etc.)

Fixed expenses for the period	$ ____________	**F**	
divided by the contribution margin ratio	____________ %	**CMR**	
= Break-even point in $ for period	**$** ____________	**BE$**	(F / CMR)

Notes:

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	$ ____________	**F**

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

In the following example, the variable expenses are 40% of sales and the contribution margin ratio is 60% of sales:

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

Enter your company's amounts here:

Sales dollars	$ ____________	S		
minus total variable expenses	$ ____________	V		
Contribution margin $ and ratio	$ ____________	CM$ (S - V)	______ **%**	**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	$ ____________	V

See **Filled-In Form B2** for an illustration.

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