

## Break-even Point in Units

(one product or one service)

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**Break-even point in units = Fixed expenses** divided by the  
**contribution margin per unit**

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

time period: \_\_\_\_\_ (month, year, etc.)

Fixed expenses for the period	\$ _____	<b>F</b>
<i>divided by</i> the contribution margin per unit	\$ _____	<b>CMU</b>
<b>= Break-even point in <u>units</u> for period</b>	<u>_____</u>	<b>BEU</b> (F / CMU)

### 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: _____	\$ _____	
<b>Total fixed expenses for the period</b>	<u>\$ _____</u>	<b>F</b>

**CMU** Contribution margin per unit = selling price per unit minus the variable expenses per unit.

Selling price <b>per unit</b>	\$ _____	<b>SU</b>
<i>minus</i> variable expenses <b>per unit</b>	\$ _____	<b>VU</b>
<b>Contribution margin per unit</b>	<u>\$ _____</u>	<b>CMU</b> (SU - VU)

**VU** Variable expenses per unit are the costs that will change as the volume changes. Enter your variable expenses *per unit* of activity here:

Purchase cost	\$ _____	
Direct labor and fringes	\$ _____	
Sales commissions and shipping	\$ _____	
Other: _____	\$ _____	
<b>Total variable expenses per unit</b>	<u>\$ _____</u>	<b>VU</b>

See **Filled-In Form B1** for an illustration.

Learn more about break-even point at [www.AccountingCoach.com](http://www.AccountingCoach.com)