**EXERCISE: Calculating break-even point**

The average selling price of a CD is £10. Direct costs per CD are £4. Fixed costs per week are £1800. How many CDs must you sell to break-even?

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **0** | **100** | **200** | **300** | **400** | **500** |
| Income |  |  |  |  |  |  |
| Fixed Costs |  |  |  |  |  |  |
| Direct Costs |  |  |  |  |  |  |
| Total Costs |  |  |  |  |  |  |
| Profit |  |  |  |  |  |  |

Now plot the information on a graph.

 5000

4000

3000

2000

1000

 0