BREAK-EVEN WORKSHEETS: DOLLAR BASIS

**Step 1:** Using your most recent income statements, classify all costs as either **fixed** or **variable**, then total each category.

- Actual Total Sales = $ ____________
- Total Variable Costs = $ ____________
- Total Fixed Costs = $ ____________

**Step 2:** “For every $1.00 of sales, what percent goes away to variable costs?”

Calculate Variable Cost Percent

Variable Cost Percentage = \( \frac{\text{Total Variable Costs}}{\text{Actual Total Sales}} \) = $ ____________ = %

**Step 3:** “For every $1.00 of sales (after paying for variable costs), what percent is left to cover fixed costs . . . plus any targeted profit?”

Calculate Contribution Margin

100% – Variable Cost Percentage = 100% – ____________ % = ____________ %

**Step 4:** “How many ‘cents-es’ does it take to cover your fixed costs?”

Calculate Break-Even Sales

Break-Even Sales = \( \frac{\text{Total Fixed Costs}}{\text{Contribution Margin}} \) = $ ____________ = $ ____________

NOTE: To calculate the sales needed to generate a target profit, just add that target profit amount to your total fixed costs, then divide that amount by your contribution margin.

**Step 5:** “Does the sales level you figured actually break-even - or give you the profits you target?”

Check Your Calculations

Break-Even Sales

(\( \text{minus} \)) Variable Costs * – ____________

(\( \text{equals} \)) Contribution Dollars = ____________

(\( \text{minus} \)) Fixed Costs – ____________

(\( \text{equals} \)) Net Profit = ____________

* Compute this figure by multiplying Break-Even (above) by the Variable Cost Percent in Step 2.
### BREAK-EVEN WORKSHEETS: PER UNIT BASIS

#### Step 1: Classify Your Costs
Using your most recent income statements, classify all costs as either fixed or variable, then total each category. Record the actual number of units sold and actual sales volume.

- Actual Total Sales = $ __________
- Total Variable Costs = $ __________
- Total Fixed Costs = $ __________
- Total Units Sold = $ __________

#### Step 2: Calculate Your Price Per Unit
Price Per Unit = \( \frac{\text{Total Sales}}{\text{Number of Units Sold}} \) = $ _________

#### Step 3: Calculate Your Variable Cost Per Unit
Variable Cost Per Unit = \( \frac{\text{Total Variable Costs}}{\text{Total Units Sold}} \) = $ _________ per unit

#### Step 4: Calculate Your Contribution Dollars Per Unit
Price per Unit - Variable Cost per Unit = Contribution Margin Cost Per Unit
$ _________ per unit - $ _________ per unit = $ _________ per unit

#### Step 5: Calculate Your Break-Even Sales in Units
Break-Even Sales = \( \frac{\text{Total Fixed Costs}}{\text{Contribution Margin Per Unit}} \)

= $ __________ = _______________ units needed in $ __________ per unit sales to Break-Even

**NOTE:** To calculate the sales needed to generate a target profit, just add that target profit amount to your total fixed costs, then divide that amount by your contribution margin.