

Breakeven Worksheet

Breakeven units = Fixed Costs / (Revenue per unit - variable cost per unit)

Breakeven Dollars = Fixed Costs / Contribution Margin

Contribution Margin = Price of Product - Variable Costs

Ex. You offer a new product for \$20. It costs you \$10 to make it. All of the raw materials plus shipping and handling cost you \$650 total for the month. How many units do you need to sell to breakeven?

Answer: 65