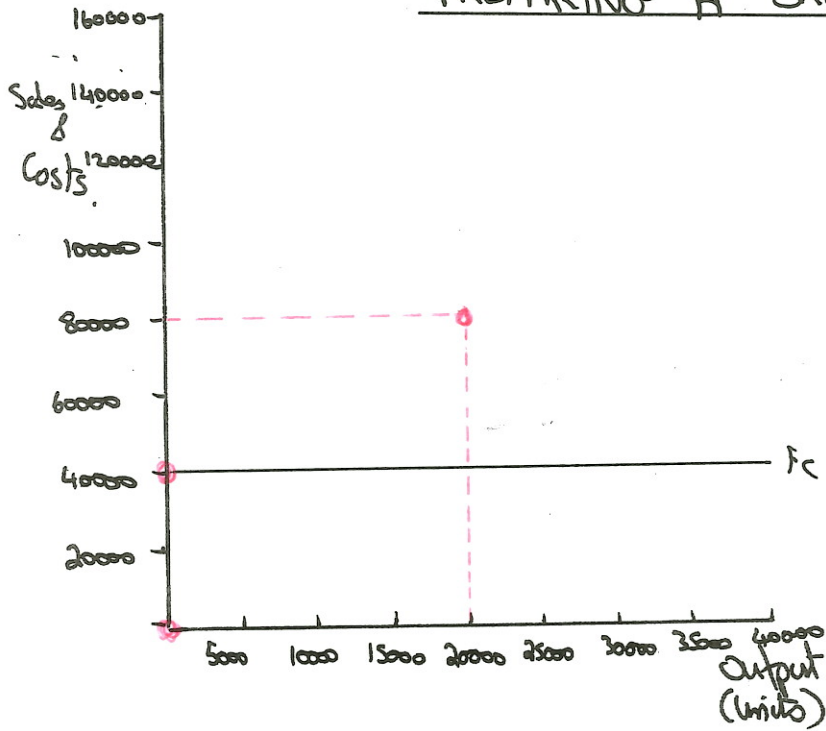


PREPARING A BREAK-EVEN CHART

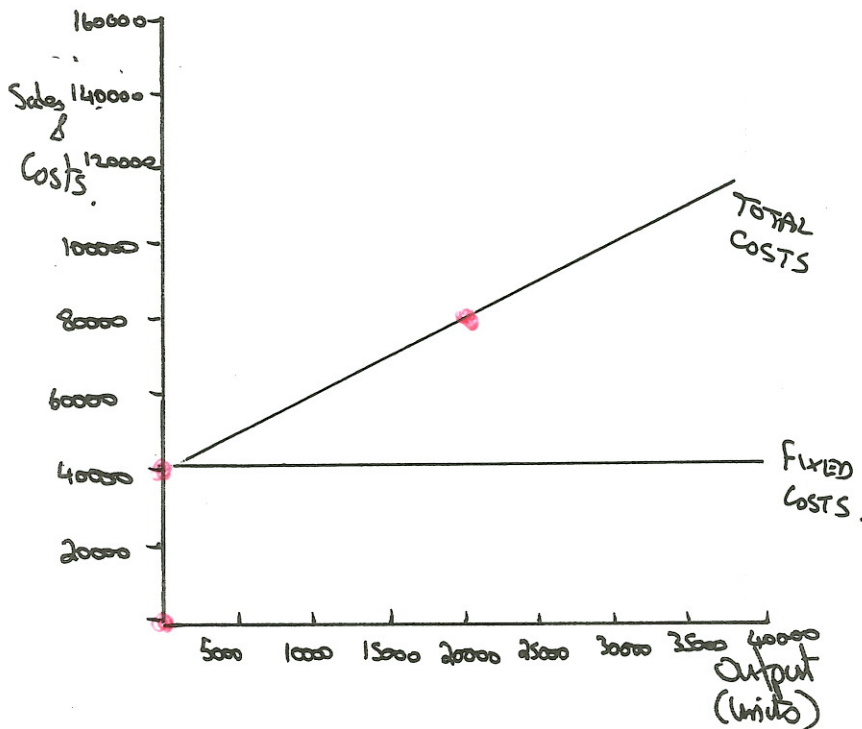


STAGE 1

Graduate the axes.

Draw FC line

Plot BE point.

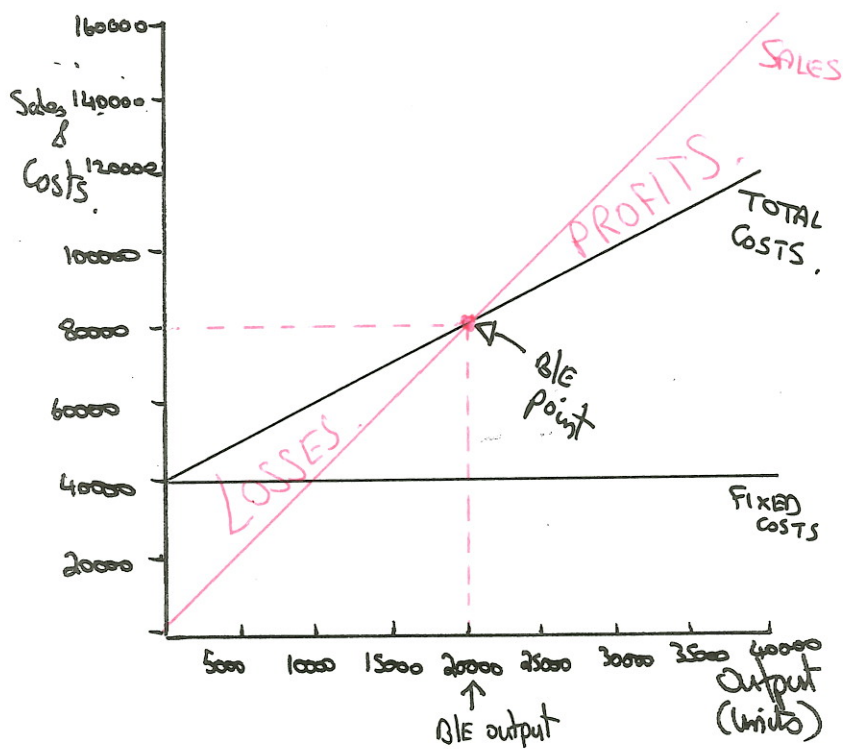


STAGE 2

DRAW TOTAL COSTS LINE

- Starts at FC

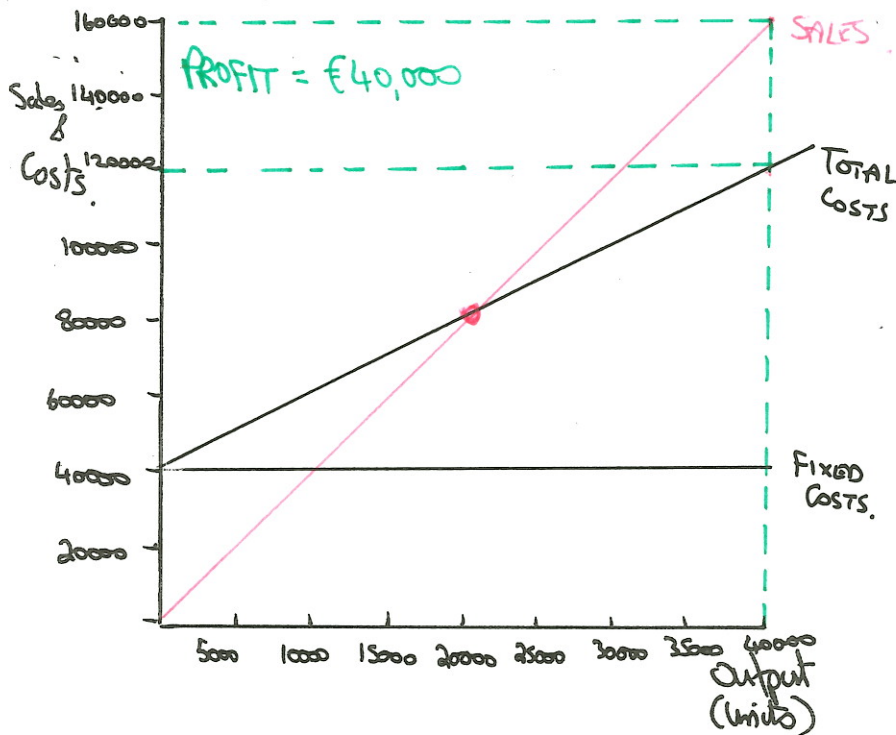
- goes through break-even point



STAGE 3

DRAW SALES LINE

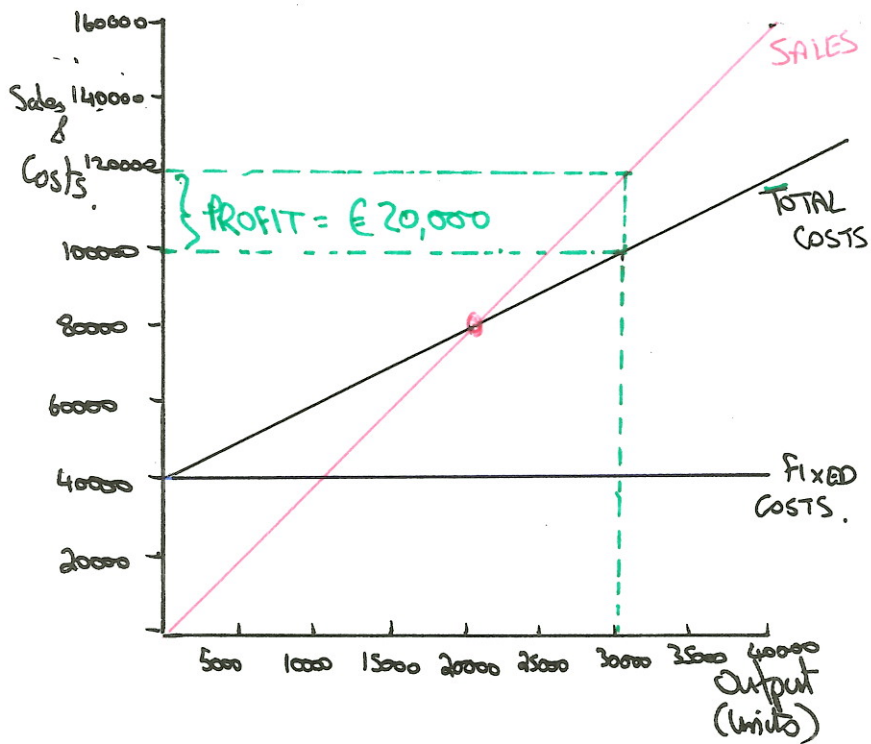
- Starts at origin
- also goes through breakeven point.



STAGE 4

Verify profit at 40,000 units.

- go vertically up at 40,000 units.
- read total costs
- continue going up to read Sales.
- Difference is profit of €40,000.



STAGE 5

- Verify profit at 30,000 units.
- go vertically up at 30,000 units
 - Read Total Costs
 - Continue up to read Sales.
 - Difference is profit of €20,000.