**FINANCE FOR MANAGERS**

**Learning Outcome 4: ACTIVITY 2**

**GROUP ACTIVITY**

**Break-even analysis calculation one**

You have been employed to offer advice to a luxury chocolate manufacturer.

The following estimated information has been given to you relating to the new chocolates.

|  |  |
| --- | --- |
| Data per chocolate | $ |
| Direct materials | 0.25 |
| Direct labour | 0.55 |
| Direct expenses | 0.30 |
| Fixed costs | 0.10 |
| Selling price | 2.30 |

The data is based on a production output of 550 chocolates.

* Calculate the number of chocolates required to break-even.
* Prepare a break-even chart for the new chocolates.