**FINANCE FOR MANAGERS**

**Learning Outcome 4: ACTIVITY 5**

**INDIVIDUAL ACTIVITY**

**Break-even Analysis – calculation two**

Before you leave this unit, it’s time to practice break-even analysis again. The following financial information is given for the production and sales of a spider soft toy.

The financial data is based on an output of 2 500 spider soft toys.

|  |  |
| --- | --- |
| Cost per spider soft toy | $ |
| Raw materials | 12 |
| Components | 2 |
| Direct labour | 7 |
| Royalties | 3 |
| Fixed Costs | 5 |
| Selling Price | 30 |

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