McConnell & Brue text

Identify, analyze, and solve real-world problems that involve quantitative

information

Reason quantitatively and make numerical arguments

Interpret and communicate the results of quantitative analyses

Use technology and Internet resources effectively and build skills in working

with data

Develop and improve “numerical intuition” and confidence in the ability to

engage in quantitative thinking

**Complete** the following dependent and independent variables question

Horngren text

Ch. 2, question 2B2

2-B2 Basic CVP Exercises

Each problem is unrelated to the others.

1. Given: Selling price per unit, $20; total fixed expenses, $5,000; variable expenses per unit, $15.

Find break-even sales in units.

2. Given: Sales, $40,000; variable expenses, $30,000; fixed expenses, $7,500; net income, $2,500.

Find break-even sales in dollars.

3. Given: Selling price per unit, $30; total fixed expenses, $33,000; variable expenses per unit, $14.

Find total sales in units to achieve a profit of $7,000, assuming no change in selling price.

4. Given: Sales, $50,000; variable expenses, $20,000; fixed expenses, $20,000; net income,

$10,000. Assume no change in selling price; find net income if activity volume increases 10%.

5. Given: Selling price per unit, $40; total fixed expenses, $80,000; variable expenses per unit, $30.

Assume that variable expenses are reduced by 20% per unit, and the total fixed expenses are increased by 10%. Find the sales in units to achieve a profit of $20,000, assuming no change in selling price.