**AS Business Studies: Contribution and Break Even**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Product** | **Selling Price Per Unit** | **Amount Sold** | **Total Variable Costs** | **Total Fixed Costs** | **Contribution Per Unit and Total Contribution** | | **Profit** | **Break Even** |
| Chanel Perfume | £38.99 | 400 | 2000 | 5000 |  |  |  |  |
| Moisturiser | £6.99 | 50 | 150 | 50 |  |  |  |  |
| Deodorant | £1.99 | 250 | 125 | 20 |  |  |  |  |
| Shaving Foam | £1.49 | 200 | 100 | 22 |  |  |  |  |
| Fake Tan | £14.99 | 325 | 1300 | 2000 |  |  |  |  |

You are a team of business analysts, asked to calculate, contribution per unit, total contribution, profit and break even points for 5 different businesses who each specialise in producing and selling different cosmetics. You may find the formulas on the other side of this sheet helpful.

# Total Contribution

Contribution Per Unit x Number of Units Sold

# Contribution Per Unit

* Difference between the selling price of one unit and the variable cost of producing one unit.

Selling Price Per Unit – Variable Cost Per Unit

# Break Even

Fixed Costs of the Business / Contribution Per Unit

# Profit

Total Contribution – Total Fixed Costs