REQUIRED				
(a)	(i)	Define the break-even point.		
				[2]
	(ii)	Define the margin of safety.		
		The following figures have bee month of April 2010:		
			\$	\$
		Sales Total variable costs Total fixed costs	299 000 _90 000	460 000 _389 000
		Profit		71 000

Break-even analysis has been described as a useful tool for the accountant.

3

REQUIRED

(b)	Calculate Katerina's contribution as a percentage of sales (c/s ratio).
	[4]
(c)	Calculate Katerina's break-even point.
(d)	Colculate the color in dellars processory to make a profit of \$100,000
(u)	Calculate the sales in dollars necessary to make a profit of \$100000.
	F.41
	[4]

(e)	Calculate the profit or loss if sales for the month are \$375 000.
	[4]
(f)	If the original sales prices are reduced by 5% but costs do not change, calculate the value of sales needed to achieve a profit of \$80 000.