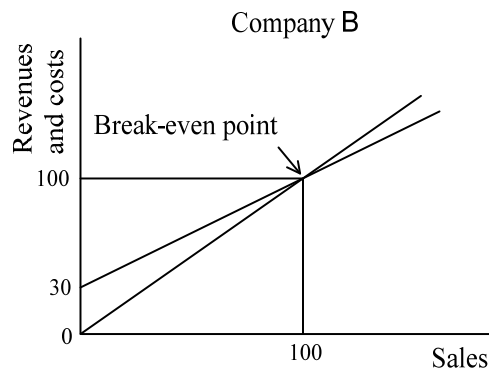
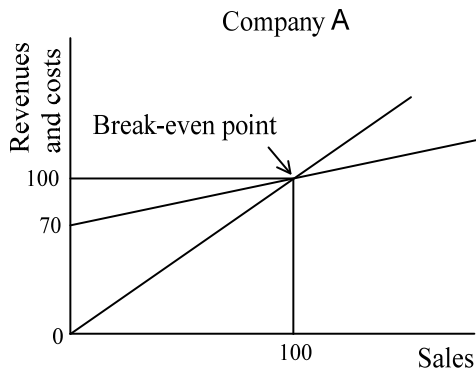


Q75. The figures show the break-even point for two companies A and B. Which of the following is an appropriate statement with regard to the profit/loss analysis of Companies A and B?



- a) Both companies have the same break-even point, so their profits and loss are also the same.
- b) Both companies have the same break-even point, so when both companies are producing the same profit, their sales are also the same.
- c) Company A has low variable costs per unit of product, so when sales exceed the break-even point, Company A's profits are larger than Company B.
- d) When sales figures increase for both Company A and Company B, Company B has lower fixed costs, so its profits are larger than Company A.