**Ba 260: In Class Activity Lecture 12**

**Two People Max per Sheet**

1. Calculate the Profit Margin for Microsoft and General Margin
2. Which industry appears more appealing based on this simple analysis?
3. The industry average for Microsoft is 19.36%, how does the profit margin you calculated for Microsoft compare to this?
4. As an investor you are presented with an opportunity to invest in a company that did exceedingly well opening lithium mines in Afghanistan with a profit margin of 120%. The total revenue was $220 million for the fiscal year. What would your response to this opportunity be?
5. You are going to be selling surfboards from your shop you opened in San Diego. Your total fixed costs for the operation are $5,000 per month. The board will be a 9 foot, soft top foam board. Your variable cost per board is $140 dollars.
   1. What is your break even sales units if you charge $230 per board.
   2. What is your break even if you charge $290 per board.
   3. Is rent included as a fixed or variable cost?
   4. Is labor included as a fixed or variable cost?



