QUESTION 1

Bridal Shoppe sells wedding dresses. The cost of **each** dress is comprised of the following: Selling price of $1,000 and variable (flexible) costs of $400. Total fixed (capacity-related) costs for Bridal Shoppe are $90,000.

A. What is the contribution margin per dress?
B. What is the Bridal Shoppe's total profit when 200 dresses are sold?
C. How many dresses must Bridal Shoppe sell to reach the breakeven point
D. How many dresses must Bridal Shoppe sell to yield a profit of $60,000?

QUESTION 2

Northenscold Company sells several products. Information of average revenue and costs are as follows:

Selling price per unit	$20.00
Variable costs per unit:	
Direct materials	$4.00
Direct manufacturing labor	$1.60
Manufacturing overhead	$0.40
Selling costs	$2.00
Annual fixed costs	$96,000

a. Calculate the contribution margin per unit
b. Calculate the number of units Northenscold's must sell each year to break even
c. Calculate the number of units Northenscold's must sell to yield a profit of $144,000.

QUESTION 3

Berhannan's Cellular sells phones for $100. The unit variable cost per phone is $50 plus a selling commission of 10%. Fixed manufacturing costs total $1,250 per month, while fixed selling and administrative costs total $2,500.

A. What is the contribution margin per phone?
B. What is the breakeven point in phones?
C. How many phones must be sold to earn a targeted profit of $7,500?