

BREAK-EVEN WORKSHEETS: PER UNIT BASIS

Step 1: Using your most recent income statements, classify all costs as either **fixed** or **variable**, then total each category. Record the actual number of units sold and actual sales volume.

Classify Your Costs

Actual Total Sales = \$ _____
Total Variable Costs = \$ _____
Total Fixed Costs = \$ _____
Total Units Sold = \$ _____

Step 2: Price Per Unit = $\frac{\text{Total Sales}}{\text{Number of Units Sold}}$ = \$ _____

Calculate Your Price Per Unit

Step 3: Variable Cost Per Unit = $\frac{\text{Total Variable Costs}}{\text{Total Units Sold}}$ = \$ _____ per unit

Calculate Your Variable Cost Per Unit

Step 4: Price per Unit - Variable Cost per Unit = Contribution Margin Cost Per Unit

Calculate Your Contribution Dollars Per Unit

\$ _____ per unit - \$ _____ per unit = \$ _____ per unit

Step 5: Break-Even Sales = $\frac{\text{Total Fixed Costs}}{\text{Contribution Margin Per Unit}}$

Calculate Your Break-Even Sales in Units

= \$ _____ = _____ units needed in sales to Break-Even
\$ _____ per unit

NOTE: To calculate the sales needed to generate a target profit, just add that target profit amount to your total fixed costs, then divide that amount by your contribution margin.