

CONT:

BREAK EVEN ANALYSIS

EXPENSES	FIXED EXPENSES	VARIABLE EXPENSES
Material cost		RS 5000
Labor cost		3000
FOH cost	500	500
Rent	1200	
Salaries	1230	
Wages		300
Insurance	400	
Other overheads	200	300
Advertising	500	
Selling expenses	150	150
Commission		500

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	4180	9750

$$\text{Breakeven point (RS)} = \frac{\text{fixed expenses}}{1 - \frac{\text{Variable expenses}}{\text{sales}}}$$

BREAKEVEN POINT = RS 8196

