**Break even quiz**

1. **What is break even?**

When your fixed and variable costs equal revenue.

When your fixed and variable costs are more than revenue.

When fixed and variable costs are less than revenue.

1. **Which of two of the following are examples of fixed costs?**

Rent and van insurance.

Costs of raw materials.

Salaries and loans.

Credit card fees.

1. **Which of the following is an example of a variable cost?**

Rent and van insurance.

Machinery rental.

Raw materials.

1. **How do you calculate break even in units?**

Break-even output = Fixed costs

 Contribution per unit.

Break-even output = Fixed costs

 Variable costs

1. **Why would you want to calculate break even?**

To see how much profit, you will make in a year.

To see how may units you need to sell to meet total costs.

1. **How would you calculate total revenue?**

Total revenue = Quantity sold x selling price

Total revenue = Fixed costs x variable costs

1. **How would you calculate profit?**

Profit = Total revenue – Fixed costs

Profit = Total revenue – Variable costs

Total revenue – total costs = Profit

1. **How would you plot fixed costs on the breakeven graph?**

Vertical – Upwards

Diagonally

Horizontally – Across

1. **How would you plot variable costs on the breakeven graph?**

Vertical – Upwards

Diagonally

Horizontally – Across

1. **How is total cost calculated?**

Fixed costs – Variable costs

Variable costs + Fixed costs

1. **Where would you plot total cost starting at?**

Zero

Fixed costs line

1. **Which way would you plot total revenue on your break even graph?**

Vertical – Upwards

Diagonally

Horizontally – Across

1. **Where would you find your break even point ?**

When total revenue intersects total cost

When total cost intersects fixed cost

When total cost intersects variable cost

1. **How would you calculate variable cost per unit for your break even graph?**

Number of units x fixed costs = Variable cost per number of units

Number of units x variable costs = Variable cost per number of units

Amount of revenue x Total costs = Variable cost per number of units

1. **Why is knowing your breakeven point important for start up businesses?**

It tells you how much you need to sell to get your money back.

It tells you how much you need to sell to make a profit.

It tells you how much you need to sell to make a loss.

16) **What do you plot on your vertical axis of a breakeven graph?**

Revenue

Output in units

**17) What do you plot on your horizontal axis of a break even graph?**

Revenue

Output in units

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1. What do you plot on your vertical axis of a breakeven graph?

**Revenue**

Output in units

1. What do you plot on your horizontal axis of a break even graph?

Revenue

**Output in units**