

Break Even Analysis

Create a presentation about the price point and break even point when selling:

Vapor Basic T-Shirts

Cost for the item: \$6.51

This is a variable cost.

Cost for the heat press: \$1392.00

This is a fixed cost.

Item price (what we charge): \$10

Your presentation should include answers and explanations for the following questions.

1. Write a profit equation.
2. What do the slope and y-intercept mean in terms of the problem?
3. If we charge \$10 for the item, how many units do we need to sell until we break even?
4. Create a graph to model the profit in terms of the number of shirts sold.
5. Choose a different price for the item, justify your choice, and explain how this affects the profit equation, the slope, and the break-even point.

