

REVIEW PROBLEM 4.1

WAVE Ltd manufactures two types of microwave ovens: basic and professional. The company has budgeted the following data for the coming year:

	BASIC	PROFESSIONAL
Production	24,000	16,000
Selling price per unit	€45	€120
Variable cost per unit	€15	€40

Fixed costs: €800,000.

REQUIRED:

- 1) Calculate the Break-even point.
- 2) Calculate the Break-even point if actual sales volume for the period is 40,000 units, but consisting of a sales mix of 32,000 units of the basic microwave and 8,000 units of the professional one.

