BUSINESSCALC

INSTITUTIONAL FINANCIAL MODEL REFERENCE

Published by Tech Labs FZ LLC

Break-Even & Contribution Margin Model

CVP Target Analysis & Margin of Safety Executive Reference

COST & PRICE INPUTS

Parameter	Value	Unit
Selling Price Per Unit (P)	$150.00	USD / Unit
Variable Cost Per Unit (V)	$90.00	USD / Unit
Total Monthly Fixed Costs (F)	$45,000.00	USD / Month
Target Monthly Net Profit	$15,000.00	USD / Month
Projected Sales Volume	1,200	Units / Month

BREAK-EVEN & MARGIN CALCULATIONS

Metric	Formula	Calculated Value
Unit Contribution Margin	Price - Variable Cost	$60.00 / Unit
Contribution Margin Ratio	Unit CM / Price	40.0%
BREAK-EVEN POINT (UNITS)	**Fixed Costs / Unit CM**	**750 Units**
BREAK-EVEN POINT (SALES $)	**BEP Units × Price**	**$112,500.00**
Required Volume for Target Profit	(Fixed + Target) / Unit CM	1,000 Units
Margin of Safety (Units)	Actual Volume - BEP Volume	450 Units (37.5%)