

**Break-even Point in Dollars**  
(one product or one service)

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**Break-even point in \$ = Fixed expenses** divided by the  
**contribution margin ratio or %**

Calculation of <b>break-even point in dollars</b> for the following time period: _____ (month, year, etc.)			
Fixed expenses for the period	\$ _____	<b>F</b>	
divided by the contribution margin ratio	_____ %	<b>CMR</b>	
<b>= Break-even point in \$ for period</b>	<b>\$ _____</b>	<b>BES</b>	(F / CMR)

**Notes:**

**F** Fixed expenses are those expenses that will not change in total as the volume of activity changes. Enter your total fixed expenses here:

Rent	\$ _____	
Salaries and related fringe benefits	\$ _____	
Insurance, property taxes, maintenance	\$ _____	
Depreciation	\$ _____	
Interest	\$ _____	
Other: _____	\$ _____	
<b>Total fixed expenses for period</b>	<b>\$ _____</b>	<b>F</b>

**CMR** Contribution margin ratio or % = 100% minus the variable expenses as a percentage of sales.

In the following example, the variable expenses are 40% of sales and the contribution margin ratio is 60% of sales:

Sales dollars	\$ 100,000	
minus variable expenses	- 40,000	
= Contribution margin	\$ 60,000 Dollars	60% Ratio (\$60k/\$100k)

Enter your company's amounts here:

Sales dollars	\$ _____	\$
minus total variable expenses	\$ _____	V
<b>Contribution margin \$ and ratio</b>	<b>\$ _____</b>	CMR (\$ - V) _____ % <b>CMR</b> (CM\$ / S)

**V** Variable expenses are the expenses that change in total as the volume of activity changes.

Enter your total variable expenses here:

Purchase costs	\$ _____
Direct labor and fringes	\$ _____
Sales commissions and shipping	\$ _____
Other: _____	\$ _____
<b>Total variable expenses for period</b>	<b>\$ _____</b>

See **Filled-In Form B2** for an illustration.

Learn more about break-even point at [www.AccountingCoach.com](http://www.AccountingCoach.com)