



Bee Times

You have been given the task of working for the BeeTimes and your best work will be published on BeeBusinessBee.

Bee the editor has given you the following brief;

Produce an article on Break Even which covers the following;

- What are the different costs that a business may have?
 - Provide examples of these costs
- What is the formula for calculating break even?
 - What is meant by the term contribution and how is it calculated?
- What does a completed break even chart look like?
 - What does each of the lines mean?
 - Where is the area of profit / loss
 - Where is the break even point?
- What is meant by the term margin of safety?
 - How is it calculated?
 - What could make it bigger or smaller?
- Explain how break even can be used as;
 - A planning tool
 - A monitoring tool
 - A control tool
 - A target setting tool
- Evaluate the advantages and drawbacks of break even

