

Calculating Breakeven Point and Safety Margin

Budgeted Units Sold	Basic	16,486	66%		
	Deluxe	8,620	34%		
		<u>25,107</u>	100%		
Total Sales					
Weighted Average Contribution Margin				Weighted	
		CM/Unit	% of Total Sales	Average	
	Basic	\$24.45	66%	\$16.06	
	Deluxe	\$115.30	34%	\$39.59	
				<u>\$55.65</u>	
Breakeven Point (in Units)					
	Fixed Costs	=	\$793,260	=	14,255
	Ave CM		<u>\$55.65</u>		
Margin of Safety Calculations					
			Basic	Deluxe	
Budgeted Sales			16,486	8,620	
Breakeven Point per Product					
	Total Breakeven Point		14,255	14,255	
	% of Total Sales		66%	34%	
Required Sales to Break Even			9,361	4,895	
Margin of Safety			<u>7,125</u>	<u>3,725</u>	