

QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the contribution margin ratio?
ANSWER
The contribution margin ratio is 50%.
QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the break-even point in units?
ANSWER
The break-even point is 20,000 units.
QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the operating income?
ANSWER
The operating income is \$50,000.
QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the margin of safety?
ANSWER
The margin of safety is 50%.

QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the contribution margin per unit?
ANSWER
The contribution margin per unit is \$5.
QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the total contribution margin?
ANSWER
The total contribution margin is \$50,000.
QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the break-even point in sales dollars?
ANSWER
The break-even point is \$200,000.
QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the operating leverage?
ANSWER
The operating leverage is 2.

QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the degree of operating leverage?
ANSWER
The degree of operating leverage is 2.
QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the operating leverage ratio?
ANSWER
The operating leverage ratio is 2.
QUESTION
A company has a fixed cost of \$100,000 and a variable cost of \$5 per unit. The company sells 10,000 units at a price of \$10 per unit. What is the operating leverage coefficient?
ANSWER
The operating leverage coefficient is 2.