

Assignment on Breakeven Analysis

XYZ Restaurant, which sells only pepperoni pizza, the variable expenses per pizza might be:

Flour: \$0.50

Yeast: \$0.05

Water: \$0.01

Cheese: \$3.00

Pepperoni: \$2.00

Total: \$5.56

Its fixed expenses per month might be:

Labor: \$1,500

Rent: \$3,000

Insurance: \$200

Advertising: \$500

Utilities: \$450

Total: \$5,650

Based on the total variable expenses per pizza, we now know that XYZ Restaurant must price its pizzas at \$5.56 or higher just to cover those costs. The price of a pizza is \$10,

To determine the breakeven point & present graphically of XYZ Restaurant's Pepperoni Pizza.