

**ADDITIONAL PROBLEMS FOR CHAPTER 12**

- 12-17** Breakeven analysis The Shipley Corporation produces tea kettles, which it sells for \$15 each. Fixed costs are \$700,000 for up to 400,000 units of output. Variable costs are \$10 per kettle.
- What is the firm's gain or loss at sales of 125,000 units? Of 175,000 units?
  - What is the breakeven point? Illustrate by means of a chart.
- 12-18** Breakeven analysis The following relationships exist for Shome Industries, a manufacturer of electronic components. Each unit of output is sold for \$45; the fixed costs are \$175,000; variable costs are \$20 per unit.
- What is the firm's gain or loss at sales of 5,000 units? Of 12,000 units?
  - What is the breakeven point?