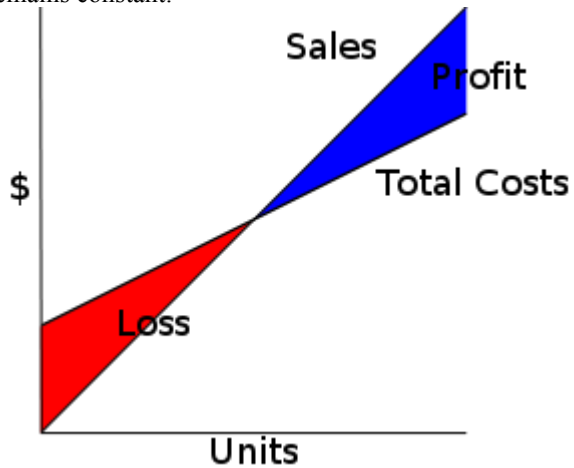


# CVP Analysis

Now let's see what CVP Analysis is all about! The key point in CVP is the break-even point. That is where Revenues=Costs. There are certain assumptions one must make when using CVP and break-even points. You must assume that there is a constant sales price and assume that variable cost per unit also remains constant.



A good tutorial is available at: <http://www.youtube.com/watch?v=P03x6uWHqL8>

How to compute direct and absorption cost.

<http://www.docstoc.com/docs/51883263/DIRECT-COSTING-VS-ABSORPTION-COSTING>

*Another great site for preparation of the income statement:*

<http://www.microbuspub.com/pdfs/chapter6.pdf>

Happy Accounting!

Prof Touhey

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