

COST-VOLUME-PROFIT ANALYSIS OVERVIEW

	PER UNIT \$	RATE %	TOTAL \$
Selling Price		100%	
LESS Variable Cost			
EQUALS Contribution Margin			
LESS Fixed Cost			
EQUALS Income from Operations		100%	
LESS Income Tax			
EQUALS Net Income			

Example at 10,000 units

	PER UNIT \$	RATE %	TOTAL \$
Selling Price	50	100%	500,000
LESS Variable Cost	30	60%	300,000
EQUALS Contribution Margin	20	40%	200,000
LESS Fixed Cost			20,000
EQUALS Income from Operations		100%	180,000
LESS Income Tax		30%	54,000
EQUALS Net Income		70%	126,000