

Study Plan: Cost-Volume-Profit (CVP) Analysis

Knowledge Targets

I can define the following terms as they relate to our unit:

Contribution margin	Fixed Costs	Variable Costs	Profit
Break even point	Margin of safety	Targeted Income	Contribution margin ratio

Reasoning Targets

- I can identify costs as **fixed** or **variable**.
- I can explain how changes in volume affect **contribution margin**.
- I can explain the significance of **margin of safety**.
- I can explain the importance of calculating **break even point**.

Skill Targets

- I can calculate **contribution margin** and **contribution margin ratio**.
- I can determine the **break even point** in units and dollars.
- I can calculate the level of sales necessary to achieve a **targeted income** or **profit**.