**TASK BREAK EVEN POINT ANALYSIS**

Company drink fast produces mineral water. Their production is done in a building. The building is not company property, but they pay a rent for the place. The rent is 20 000 USD. Company has some other fixed costs (electricity in administrative building, salaries of managers) 12 000 USD. Marketing costs are each month at the same level – 4 000 USD. Variable costs of 1 produced bottle is 0,5 USD which include plastic bottle, cup and label, production workers salaries per 1 bottle and electricity in production hall. Price of 1 bottle is 1 USD.

a) How many bottles and how many packs (each pack contains 6 bottles) is necessary to produce to reach break-even point?

b) How many bottles and how many packs is necessary to produce to reach profit 20 000 USD?