

Sales commissions		10+/-0.01	
Total variable costs			F 140
Contribution margin			\$ 360
Contribution Margin Ratio			
Sales	F \$	500+/-0.01	F 100%
Variable costs	F	140+/-0.01	28%
Contribution margin	F \$	360+/-0.01	72%

Required 1

Required 2

Required 3

For each dollar of sales, how much is left to cover fixed costs and contribute to operating income? (Round your answers to two decimal places.)

For each dollar of sales, how much is left to cover fixed costs and contribute to operating income?

3.

Contribution margin shows how much of total sales are available to cover fixed costs and to contribute to operating income. That is, contribution margin is the amount of sales revenue left over after deducting variable costs. This statement is "Contribution Margin Income Statement." Contribution margin is available to cover fixed costs and to contribute to operating income. That is, contribution margin is the amount of sales revenue left over after deducting variable costs.

Preview from Notesale.co.uk
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