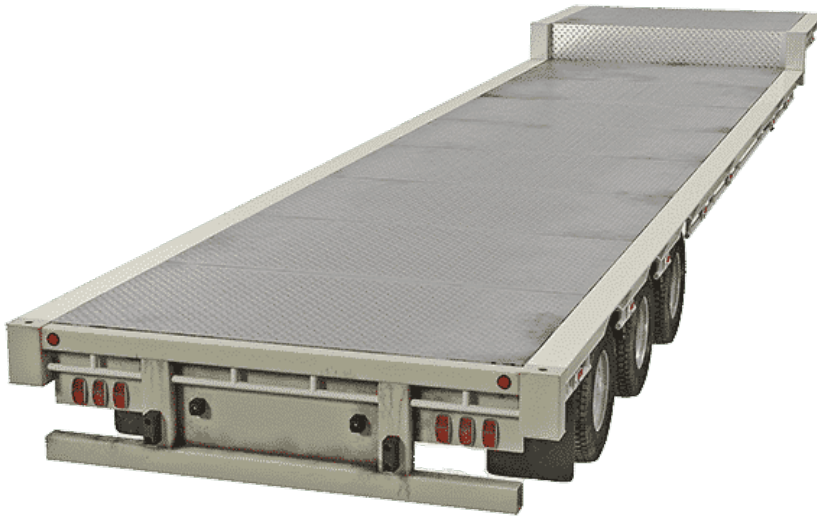


ACME Trailer Example (Breakeven Analysis)



Acme Trailer can assemble up to 30 flatbed trailers per month in its Memphis, TN facility.

Fixed costs at the site are \$750,000 per month and variable costs are \$35,000 per trailer, including materials and labor. The trailers sell for \$75,000 each.

What percentage of their current capacity must they utilize to break even?