6-8:

1.DOL: CM/NOI= 36000/12000=3 Times

2.% increase in sales 10%

DOL 3 times

Net operating income will increase by 10\*3=30%

3. Sales 132000

\_ VE 92400

CM 39600

\_ FE 24000

NI 15600

% increase in net operating income: 15600-12000/12000\*100=30%

6- 9

Req 1:

Req 3

I/S

Predator Runway Total

Sales 75000 37500 112500

-VE 18750 3750 22500

CM 56250 33750 90000

\_FE 90000

NI 0

VE ratio for predator: 25000/100000=25%

VE ratio for RUNWAY: 5000/50000=10%

6-18

Selling price 15 15

VE 9 11

CM 6 4

FE 180000

Proposed CM 56000\*4= 224000

Last Yr CM 28000\*6= 168000

Diff (Advertising Exp should Increase ) 56000

I/S

Last Proposed

Sales 28000\*15 56000\*15

=420000 840000

-VE 28000\*9 56000\*11

252000 616000

CM 168000 224000

-FE 180000 236000

NI (12000) (12000)

6-12

Total per unit

Sales 27000\*5.6 5.6

(30000\*10%=3000,30000-3000=27000)

5\*12%=.6+5=5.6

=151200

-VE 27000\*3.2 3.2

86400

CM 65600 2.4

-FE 50000

NI 15600

6-15:

REQ 1:SALES 30000\*60= 1800000

-VE 30000\*42=1260000

CM 540000

-FE 450000

NI 90000

DOL: CM/NI= 540000/90000=6 TIMES

REQ 2:

a)SALES INCREASE 25%

DOL 6 TIMES

NET operating income will increase by 25\*6=150%

b) Previous NI was 90000

Now the amount of NI will be 150% of 90000=135000 Tk+90000

=225000 Tk