Activity 1

1. AJ is starting an auto brakes business. He rents a small garage for $1100 per month. He leases his equipment from a dealer for $40 per month. AJ is paid $120 per job by each of his customers, and his variable cost per customer is $10 per month (in fuel and maintenance). What is the break-even point for AJ’s business? Show all of your work in the space provided.

2. Jamie has decided to open a small store selling her handmade jewelry. The following costs are her startup costs:
   a. Rent = $1,300
   b. Material = $10.25/unit
   c. Utilities = $250
   d. Rental for tools = $60

   If her product sells for $30.00/unit, how many units must she sell to break-even? Show all of your work in the space provided.