## **Activity 1**

1. AJ is starting a 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 hand made 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.