

Home Work Assignment – Chapter 1

For each of the following problems, you must first answer the question. Then, if you solve the problem using the QM program, attach a printout of the running result. If you solve the problem by hand, show your calculation.

1-17 :

Katherine D'Ann is planning to finance her college education by selling programs at the football games for State University. There is a fixed cost of \$400 for printing these programs, and the variable cost is \$3. There is also a \$1,000 fee that is paid to the university for the right to sell these programs. If Katherine was able to sell programs for \$5 each, how many would she have to sell in order to break even ?

1-19:

Farris Billiard Supply sells all types of billiard equipment, and is considering manufacturing their own brand of pool cues. Mysti Farris, the production manager, is currently investigating the production of a standard house pool cue that should be very popular. Upon analyzing the costs, Mysti determines that the materials and labor cost for each cue is \$25, and the fixed cost that must be covered is \$2,400 per week. With a selling price of \$40 each, how many pool cues must be sold to break even ? What would the total revenue be at this break-even point ?

1-22:

Golden Age Retirement Planners specializes in providing financial advice for people planning for a comfortable retirement. The company offers seminars on the important topic of retirement planning. For a typical seminar, the room rental at a hotel is \$1,000, and the cost of advertising and incidentals is about \$10,000 per seminar. The cost of the materials and special gifts for each attendee is \$60 per person attending the seminar. The company charges \$250 per person to attend the seminar as this seems to be competitive with other companies in the same business. How many people must attend each seminar for Golden Age to break even?