

Section-2

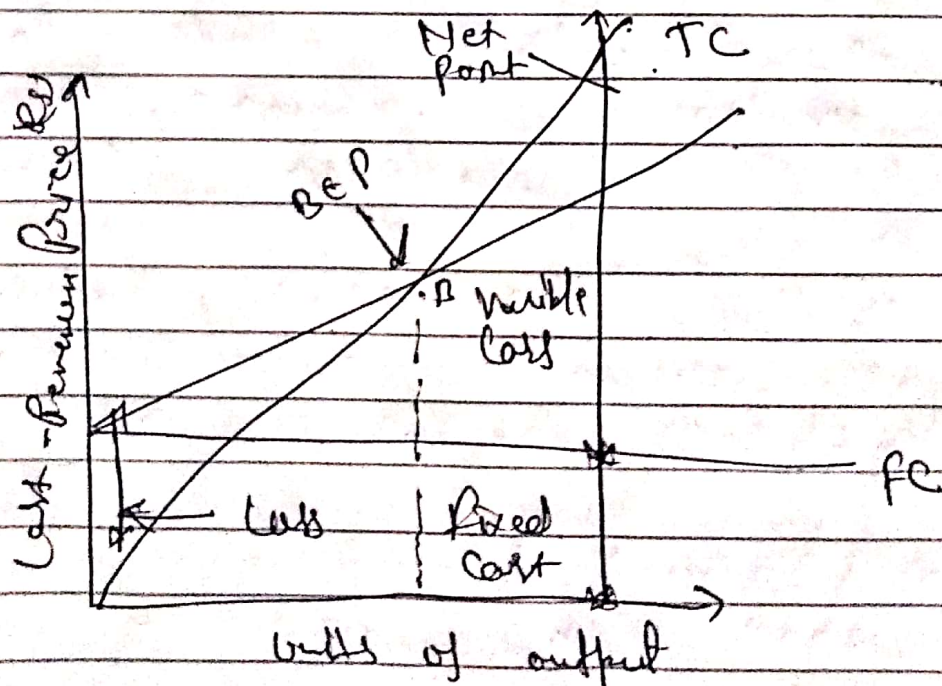
Ques: 2

Ans: 2

(A)

Assumptions of break-even chart
All costs are divided into fixed and variable costs.

2. Fixed costs will remain constant and will not change according to the level of production. Selling price remains constant even through there exists competition or any change in the volume of production.



What is the breakeven chart.

In its the breakeven chart simplest form, the breakeven chart is graphical representation on the costs at various levels of activity shows,

variation of means (or sales, revenues) with the same variations in activity.

* B Planning of capital structure :-

for the long term therefore the company must design its capital structure such that it is in a future state of acquiring funds at any time in future also finance period. The allowance to the decision for which the company requires the funds.