



FIN 685 Case Study Three Guidelines and Rubric

The break-even analysis is a widely used risk analysis methodology since it is essential to cover the expenses with the sales revenues. After a break-even analysis has been completed, the financial risk manager is then able to analyze the different costs (variable and fixed) as these relate to financial risk. This short paper assignment will provide you an opportunity to explore a break-even analysis scenario.

Prompt: Select a company of your choice within your industry. The choice of company should be different from the company you will use for your final project. You may use the [Yahoo! Industry Summary](#) to help you in selecting a company.

Illustrate a break-even analysis scenario in your industry. Discuss the relevant fixed costs, variable costs, expenses, and revenues. Also discuss a possible break-even point for your scenario.

Specifically, the following **critical elements** must be addressed:

- I. Illustrate a **break-even analysis scenario** in your industry.
- II. Discuss relevant **fixed costs, variable costs, expenses, and revenues**.
- III. Discuss a **possible break-even point** for your scenario.

Guidelines for Submission: Your paper must be submitted as a 2-page (maximum) Microsoft Word document with double spacing, 12-point Times New Roman font, one-inch margins, and at least 2 sources, in addition to the textbook, cited in APA format.

Critical Elements	Exemplary (100%)	Proficient (90%)	Needs Improvement (70%)	Not Evident (0%)	Value
Break-Even Analysis Scenario	Meets “Proficient” criteria and scenario description is particularly comprehensive	Illustrates a break-even analysis scenario in the chosen industry	Illustrates a break-even analysis scenario in the chosen industry but lacks detail	Does not illustrate a break-even analysis	30
Fixed Costs, Variable Costs, Expenses, and Revenues	Meets “Proficient” criteria and discussion is particularly comprehensive and supported by outside sources	Discusses fixed costs, variable costs, expenses, and revenues	Discusses fixed costs, variable costs, expenses, and revenues but discussion lacks detail	Does not discuss fixed costs, variable costs, expenses, and revenues	30
Possible Break-Even Point	Meets “Proficient” criteria and discussion is particularly comprehensive and supported by outside sources	Discusses the possible break-even point for the scenario	Discusses possible break-even point but lacks detail	Does not discuss possible break-even point	30

Articulation of Response	Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy to read format	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	10
Earned Total					100%