

TurboTummy manufactures and sells an exercise mat. The mat is sold via 30-minute televised commercials that run on periodic Saturdays. Following are typical results for a Saturday campaign, assuming 2,750 units were actually sold.

However, volume has been known to fluctuate from 2,500 to 4,000 units. Prepare a flexible budget scenario, assuming volumes of 2,500, 3,000, 3,500, and 4,000 units. If Turbo Tummy wants to at least cover costs at volumes of 3,000 units and above, what is the minimum selling price per mat?

Spreadsheet				
		<i>fx</i>		
	A	B	C	D
1	TurboTummy Expense Report For a Typical Campaign Selling 2,750 Units			
2	Variable expenses			
3	TurboTummy mat	\$ 55,000		
4	Shipping and handling	8,250		
5	Toll-free phone	2,750		
6	Credit card fees	5,500		
7	Miscellaneous items	<u>11,000</u>		
8	Total variable expenses	<u>\$ 82,500</u>		
9	Fixed expenses			
10	TV commercial	\$ 45,000		
11	Actors and models	5,000		
12	Studio rental	<u>15,000</u>		
13	Total fixed expenses	<u>\$ 65,000</u>		
14				
15	Total expenses	<u>\$147,500</u>		
16				