

Option #1: Breakeven Executive Summary

Your submission should be an executive memo addressing problem 5.8 on page 152 of our text.

The organization's vice president has asked you to determine the breakeven point of a new walk-in clinic that they are proposing. In your memo you should:

- Explain the importance of the breakeven point.
- Explain how to determine breakeven point numbers.
- Explain the breakeven point for this problem and explain.
- Explain the breakeven point to make a profit one hundred thousand dollars.
- Recommend whether you should accept the project.
- Provide actual calculations of three questions for this problem.

Requirements:

- Executive Summary of at least 2 pages (excluding title and reference slides),
- Formatted according to the [CSU-Global Guide to Writing and APA \(Links to an external site.\)](#)
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- Include a minimum of two (2) credible, academic references.
- Be sure to discuss and reference concepts taken from the assigned textbook reading and relevant research.
- Review the grading rubric to see how you will be graded for this assignment.

"5.8 You are considering starting a walk-in clinic. Your financial projections for the first year of operations are as follows: Assume that all costs are fixed except supply costs, which are variable. Furthermore, assume that the clinic must pay taxes at a 30 percent rate.

a. Construct the clinic's projected P&L statement.

b. What number of visits is required to break even?

c. What number of visits is required to provide you with an after-tax profit of \$100,000? "