

TEAMWORK IN ACTION

C2



BTN 21-6 A local movie theater owner explains to you that ticket sales on weekends and evenings are strong, but attendance during the weekdays, Monday through Thursday, is poor. The owner proposes to offer a contract to the local grade school to show educational materials at the theater for a set charge per student during school hours. The owner asks your help to prepare a CVP analysis listing the cost and sales projections for the proposal. The owner must propose to the school's administration a charge per child. At a minimum, the charge per child needs to be sufficient for the theater to break even.

Required

Your team is to prepare two separate lists of questions that enable you to complete a reliable CVP analysis of this situation. One list is to be answered by the school's administration, the other by the owner of the movie theater.