

LEVERAGE 1: OPERATING LEVERAGE

DESCRIPTION:

This module introduces the concept of operating leverage, describes several methods for calculating it, and provides insights as to the strategic implications of operating leverage.

Tutorial: 26 slides
Problem Sets: 4 problem sets; 27 questions
Average Time: New Module

Sample question from problem set:



Course: Faculty Access (All Modules in Alphabetical Order)

Module: Leverage 1: Operating Leverage / Problem Set ID: 1121

Cool Beans is a regional chain coffee shop that has just completed its most recent fiscal year. Charlie Brewer, the new assistant to the CFO, was asked to calculate the Operating Leverage for the company given the following information:

All Values in 000s.	Current Year	Last Year
Cups of Coffee Sold @ \$2.50 / Cup	256,000	197,000
Operating Income	\$130,000	\$86,200

What was the percent change in Unit Sales from last year to the current year?

  percent (%)

PS1 1 2 3 4 5

SUBMIT ANSWER

EXIT

Problem Sets 0 4 0 Total Questions 27

