

QUESTION

1. A company's operating leverage is 1.5. If sales increase by 10%, what is the percentage change in operating income?

2. A company's operating leverage is 1.5. If sales decrease by 10%, what is the percentage change in operating income?

3. A company's operating leverage is 1.5. If sales increase by 20%, what is the percentage change in operating income?

4. A company's operating leverage is 1.5. If sales decrease by 20%, what is the percentage change in operating income?

5. A company's operating leverage is 1.5. If sales increase by 5%, what is the percentage change in operating income?

6. A company's operating leverage is 1.5. If sales decrease by 5%, what is the percentage change in operating income?

7. A company's operating leverage is 1.5. If sales increase by 15%, what is the percentage change in operating income?

8. A company's operating leverage is 1.5. If sales decrease by 15%, what is the percentage change in operating income?

9. A company's operating leverage is 1.5. If sales increase by 30%, what is the percentage change in operating income?

10. A company's operating leverage is 1.5. If sales decrease by 30%, what is the percentage change in operating income?

11. A company's operating leverage is 1.5. If sales increase by 40%, what is the percentage change in operating income?

12. A company's operating leverage is 1.5. If sales decrease by 40%, what is the percentage change in operating income?

13. A company's operating leverage is 1.5. If sales increase by 50%, what is the percentage change in operating income?

14. A company's operating leverage is 1.5. If sales decrease by 50%, what is the percentage change in operating income?

ANSWER

1. 15%

2. -15%

3. 30%

4. -30%

5. 7.5%

6. -7.5%

7. 22.5%

8. -22.5%

9. 45%

10. -45%

11. 60%

12. -60%

13. 75%

14. -75%