



## Cost – benefit analysis, the qualitative method of evaluating the performance and risks of the company

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The concept of risk has no meaning only when present and future attempts to estimate the return rate fluctuations in developing forecasts. To estimate the risk of operating and financial risk, business practice using a tool of analysis known as the threshold of profitability (in French: Analyse coût – volume - profit, and in English: Breakeven Point Analysis), a method of analysis to estimate establish the conditions needed for the microeconomic balance, with or without profits (breakeven point). It's a graphical representation of the elements that make the benefit through their difference and it's applied to a homogeneous production or product distribution after expenses, from the assumption constants costs and turnover. Threshold of profitability is the volume of activity that balances revenue expenditure, the result is zero, called the breakeven point. From this point the company, having covered all fixed and variable costs, has the benefits.