



ACC 202 Milestone Two Guidelines and Rubric

Overview: In the second milestone of your final project, you will complete your pre-opening strategy. You must analyze the cost behaviors and systems of your industry and then conduct the relevant financial calculations to determine appropriate costing solutions. Be sure to use your work from Milestone One to inform your analysis and proposals.

Scenario: Prior to Opening, Part II: Your market research indicated the following price ranges as optimal for your area:

- Dog Day Care
 - With pricing at \$18 per dog per day, you can expect to have 22 dogs per day.
 - With pricing at \$20 per dog per day, you can expect to have 15 dogs per day.
 - With pricing at \$25 per dog per day, you can expect to have 10 dogs per day.
- Overnight Boarding
 - With pricing at \$25 per dog per day, you can expect to have 12 dogs per day.
 - With pricing at \$28 per dog per day, you can expect to have 10 dogs per day.
 - With pricing at \$30 per dog per day, you can expect to have 7 dogs per day.
- Basic Groom
 - With pricing at \$25 per groom, you can expect to do 5 grooms per day.
 - With pricing at \$30 per groom, you can expect to do 4 grooms per day.
 - With pricing at \$35 per groom, you can expect to do 3 grooms per day.

Additionally, you need to compare your break-even points for the following target profits for each area of your business:

- Day Care
 - Break-even
 - \$417 target profit each month
 - \$667 target profit each month
- Boarding
 - Break-even
 - \$583 target profit each month
 - \$909 target profit each month

- Grooming
 - Break-even
 - \$1,000 target profit each month
 - \$1,500 target profit each month

Prompt: Continue your work by conducting a cost-volume profit analysis, specifically addressing the following **critical elements**:

- Determine your **contribution margin** per unit and contribution margin ratio in the “Contribution Margin Analysis” tab.
- Determine your **break-even points** for achieving your target profits in the “Break-Even Analysis” tab.
- **Incorporate all feedback** from Milestone One.

Rubric

Guidelines for Submission: Your workbook submission should have the first five tabs completed according to the formats in the provided templates within each sheet.

Critical Elements	Proficient (100%)	Not Evident (0%)	Value
Contribution Margin	Determines the contribution margin per unit and contribution margin ratio in the “Contribution Margin Analysis” tab of the workbook	Does not determine the contribution margin per unit and contribution margin ratio in the “Contribution Margin Analysis” tab of the workbook	40
Break-Even Points	Determines the break-even points for achieving the target profits in the “Break-Even Analysis” tab of the workbook	Does not determine the break-even points for achieving the target profits in the “Break-Even Analysis” tab of the workbook	40
Incorporate All Feedback	Incorporates feedback from Milestone One into the first three tabs of the workbook	Fails to incorporate all feedback from Milestone One into the first three tabs of the workbook	20
Total			100%