

(1) [7] A person has \$120,000 to invest and two investments are available. One pays 8% interest per year while the second only pays 5% per year. How should the \$120,000 be split between the two investments in order to earn a total of \$6900 in interest income over a one year period?

(2) [8] A manufacturer produces widgets at a cost of \$0.75 per unit and sells them for \$1 per unit. Determine the break-even point if daily operational overhead is \$300 .

Graph the revenue and cost lines and indicate the break-even point on your graph.