

<div>Module 2</div> <div>Section F: Develop and Iterate Preliminary Transformation Business Cases</div> <div>Term</div> <div>Break-even analysis</div> <div>APICS CTSC Learning System© 2025</div>	<div>A study of the number of units or amount of time required to recoup an investment.</div>
<div>Module 2</div> <div>Section F: Develop and Iterate Preliminary Transformation Business Cases</div> <div>Term</div> <div>Break-even point</div> <div>APICS CTSC Learning System© 2025</div>	<div>The level of production or the volume of sales at which operations are neither profitable nor unprofitable; the intersection of the total revenue and total cost curves.</div>
<div>Module 2</div> <div>Section F: Develop and Iterate Preliminary Transformation Business Cases</div> <div>Term</div> <div>Contribution margin</div> <div>APICS CTSC Learning System© 2025</div>	<div>An amount equal to the difference between sales revenue and variable costs.</div>
<div>Module 2</div> <div>Section F: Develop and Iterate Preliminary Transformation Business Cases</div> <div>Term</div> <div>Cost-volume-profit analysis</div> <div>APICS CTSC Learning System© 2025</div>	<div>The study of how profits change with various levels of output and selling price.</div>

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Term
Current ratio

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Current assets divided by current liabilities.

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Discounted cash flow

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A method of investment analysis in which future cash flows are converted or discounted to their value at the present time. The net present value of an item is estimated to be the sum of all discounted future cash flows.

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Term
Economic value added (EVA)

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In managerial accounting, the net operating profit earned above the cost of capital for a profit center.

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Net working capital

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The current assets of a firm minus its current liabilities.

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Payback period

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The period of time required for the stream of cash flows resulting from a project to equal the project's initial investment.

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Residual income

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The net operating income that an investment center earns above the minimum required return on its operating assets.

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Return on investment (ROI)

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A relative measure of financial performance that provides a means for comparing various investments by calculating the profits returned during a specified time period.

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Time value of money

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The cumulative effect of elapsed time on the money value of an event, based on the earning power of equivalent invested funds.