

Assignment title:	Accounting Fundamentals Exam
Module code:	LCBB4001
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Question 1

Unit variable data (£):

Selling price £11

Cost of product £6 (Contribution unit)

Total variable cost £5

Currently sells 75000

Fixed costs £350000

a.,

Break-even point in units $350000/5=70000$

Break-even point in revenue $350000+75000*6=800000$

b.,

Profit made on sales is:

$75000*11=825000-350000=475000-75000*6=25000$

$75000*5=375000$

c.,

Advertising campaign costs £10000

Cost of product £6+£1=£7

New selling price £13

New total variable cost £6

Expected sells to be 80000

New profit figure is:

$80000*6=480000-10000=470000$

$80000*13=1040000-350000-10000=680000-80000*7=120000$

d.,

Break-even analysis is based on the assumption that all costs and expenses can be clearly separated into fixed and variable components.

Break-even analysis shows you how many units of a product must be sold to cover the fixed and variable costs of products.

So here the break-even analysis is come up in 70000 selling unit because if the company sell this amount of product than the company still dosen't have loss buti f this amount goes down even a bit than is starting loss of money. So if we want to increase money they need to sell minimum 70001 and more unit of product but the current sells is 75000 so they increase money with wich is the profit on it 25000 if it's 80000 units than the profit is 120000 but in this case we had to increase the price and the cost also going up and than the final result is much better.

Question 2

a.,

Management accounting is the provision of financial and non financial decision making information to managers. In this case managers are using provisions of accounting information and they can decide within their organizations in measurement, analysis, communication of information which allows them to manage better and perform control functions.

b.,

Proper plannig

Planning is the process of thinking about the activities to achieve a goal.

Planning is provides information for decision-making and also entire budgeting process in developed around accounting related reports.

Increase the efficiency

Factors can influence workplace efficiency these include exterior factors as a physical work enviroment and interior factors as a job satifaction and how well co-workers can work together. Calm and efficient leadership and management stability can also inrease workplace efficiency.

Raise the profitability

Profitability means you have to manage your costs and review your offer to find your best customers. Buy more effectively like to get the best deal from your suppliers and don't forget to concentrate your sales efforts which is good for you and also to your customers.

