

Question 1

fixed cost 350000£
selling price per unit 11£
variable cost 6£

$$11£ - 6£ = 5£ \text{ contribution per unit}$$

a., Break even point

$$350000£ / 5£ = 70000£$$

revenue = total cost

$$6£ \times 75000£ = 450000£$$
$$450000£ + 350000£ = 800000£ \text{ this is the revenue}$$

b., profit

$$11£ \times 75000£ = 825000£ \text{ income}$$
$$825000£ - 800000£ = 25000£ \text{ profit}$$

c.,

selling price 13£
variable cost 7£
unit 80000£ fixed cost 350000£

$$7£ \times 80000£ = 560000£$$
$$13£ \times 80000£ = 1040000£ \text{ income}$$
$$(1040000£ - 350000£) - 560000£ = 130000£$$
$$130000£ - 10000£ = 120000£ \text{ profit}$$

d.,

The break even point is the number what show when total revenue and total expenses is same and every money what we have is the profit if loss is very bad because the cost more like income. Show this data the company is success or no. This example what we had in exam the brek even point is 70000£ . This company have 25000£ profit so successfully.

Question 2

a.,

Manager Accounting and Finance accounting have a big difference.

Manager Accounting make the people, who work in company and not public, Finance Accounting is public so it is can see everyone independent working in company or not.

b.,

Have a lot of techniques in Manager Accounting example:

Cash flow statement

Marginal costing

Budgetary control

Cash flow statements show cash movements in business.

Use increase or decrease and use working in long financial planning.

Marginal cost we using the break even analysis for cost control, decision and profit maximisation.

The management accountant uses the tool of budgetary control for planning and activities of the business. Budgetary control is an important technique.