Phoenix Enterprises manufactures a number of gift items. The company recently started taking orders and manufacture customized gift items with the company logo or event logo. Prior to customized orders, Phoenix's average production per year is 200,000 pieces and the indirect cost is Rs. 90 lakhs. After taking customized orders, the number of units increased to 300,000 pieces. The indirect cost is also increased to Rs. 180 lakhs. The accountant continues to allocate the indirect costs on the basis of number of units.

Required

(a) Compute the indirect cost per unit of existing product prior to customized orders and after the company started taking customized orders.

(b) How will this change in the cost affect the decision-making?

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