



Management Accounting for Decision Making Prof. Narasimhan M S Cost Analysis for Decision Making

Revisit the Mobile company example discussed in the lecture. Suppose the marketing team announces a new sales mix of 6:5:7:8:10. The selling price, variable cost and fixed cost remain same. Find the break-even level of operations. Explain why the break-even level has declined or increased?

Brand	M-Launch	M-Ultima	M-Prof	M-Sleek	M-Optima
Product					Mix of
Focus	Low-end	High-end	Business	Size	Features
Product Mix	6	5	7	8	10
Selling Price	800	6000	8000	12000	5000
Variable cost	320	3600	4000	8500	2000
Contribution	480	2400	4000	3500	3000
Monthly Fixed Cost (Manufacturing and Marketing)			1400 million		