3 Angelicus and Co. manufactures three different qualities of lock, Domestic, Commercial and Industrial. The company's results for the year ended 31 March 2003 were as follows.

Sales (units)	Domestic <u>120 000</u>	Commercial 45 000	Industrial 56 250	Total 221 250
Sales (total value)	\$000	\$000	\$000	\$000
	<u>240</u>	<u>180</u>	<u>450</u>	<u>870</u>
Total costs Direct material Direct labour Variable overheads Fixed overheads	108	66	84	258
	60	30	150	240
	24	54	120	198
	54	33	42	129
	246	183	396	825
Profit (loss)	(6)	(3)	54	45

Fixed overheads are absorbed on the basis of 50% of direct materials.

## **REQUIRED**

(a)	the year ended 31 March 2003 calculate, for each type of	of lock,

(i) the contribution per unit;

Show all workings.

(ii) the contribution as a percentage of sales.

Give answers to a maximum of **three** decimal places.

[12]

(b)	Calculate the break-even point for each type of lock in both units and dollars.
	[12]
(c)	Advise whether Angelicus should cease production of Domestic and Commercial locks. Give your reasons.
(c)	