

3 Poynder and Park plan to manufacture a new product for use in the underwater construction industry. This product will be sold for \$34.00 per unit.

[16]

REQUIRED

- (b)** Prepare a detailed forecast income statement (profit and loss account) for the six months ended 30 June 2011, using **absorption** costing.

[10]

(c) Prepare a statement to reconcile the profit in **(a)** with the profit in **(b)**.

[4]